

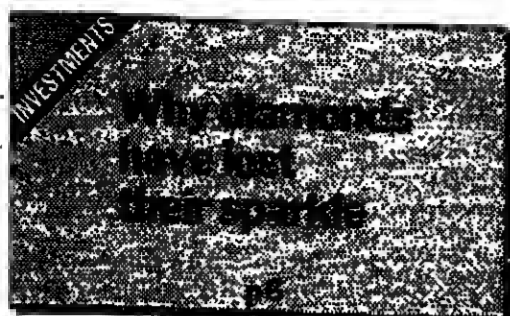
For details of industrial development sites contact Steve Wehrle, Dept. FT, The Civic Centre, Newport, Gwent, Tel: (0633) 65491

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Saturday March 6 1982

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Dornford Yates: The private world of a literary enigma



The £59,000 turbo Bentley makes a bow

Aftermath: Art in France 1945-55

NEWS SUMMARY

GENERAL

Teachers to act over pay row

The two biggest teachers' unions will start disruptive action on Thursday. Their employers refused to let their pay claim go to arbitration.

Tuile move

Suspected IRA bomber Gerard Tuile will appear before Dublin's anti-terrorist court today.

KGB challenge

Soviet trade union leader Alexei Shihayev was dismissed, adding to evidence of an unprecedented challenge to President Brezhnev by the KGB.

Venus landing

The Soviet Union landed its second space probe in a week on Venus. It began analysing samples from the planet's surface.

Cyclone relief

New Zealand and Australia are mounting an airborne relief operation to the Pacific Tongan islands, hit by a cyclone which left at least four dead, dozens injured and thousands homeless.

Hathaway theft

Thieves who broke into Anne Hathaway's cottage near Stratford-upon-Avon stole period furniture, ornaments and domestic utensils worth tens of thousands of pounds.

Ripper damages

Mrs Irene MacDonald, mother of Yorkshire Ripper Peter Sutcliffe's youngest victim, was awarded in Leeds agreed damages of £8,722 for the death of her daughter Jayne.

No violence

An Italian pathologist said an autopsy on remains of Briton Jennifer May and her companion proved their deaths were not caused by physical violence.

FT man tapped

A former political correspondent of the FT had his telephone tapped by MI5 on the direction of the Cabinet Office.

Player named

The 13th member of the rebel English cricket party touring South Africa is Warwickshire's Geoff Humpage, who is expected to play in today's one day international at Port Elizabeth.

Briefly

Norwegian Prime Minister Kaare Willoch will make an official visit to Britain on Wednesday. Anatol Goldberg, Soviet BBC commentator on Soviet affairs, died in London, aged 71. Huntsmen whose hounds killed a cat near Bodmin, Cornwall, paid £375 damages and costs.

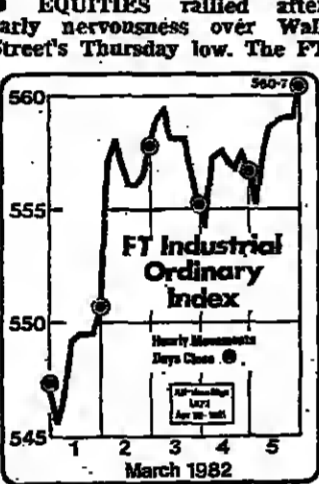
CHIEF PRICE CHANGES (Yesterday)

Table with columns for RISES and FALLS, listing various commodities and their price changes.

BUSINESS

Gilts up on hopes of base rate cut

GILTS continued strong in anticipation of UK base lending rate cuts. The Government Securities Index closed 0.47 up at 68.36, a five-day advance of nearly two points to its highest since May 1. Page 22



30-share index closed 4 up at 560.7, a rise of 13.4 on the week. Page 22

WALL STREET

WALL STREET was 4.09 down at 933.46 near the close. Page 18

STERLING rose 1.05 cents on the day to close in London at \$1.8385. It fell slightly to DM 4.3125 (DM 4.3225), SwFr 3.405 (SwFr 3.42) and FFf 11.035 (FFf 11.0575). Its trade-weighted index was 91.1 (91). Page 21

DOLLAR slipped in London to close at DM 2.344 (DM 2.3635), SwFr 1.651 (SwFr 1.67) and Y234 (Y236.7). Its trade-weighted index fell to 112.2 (113). Page 21

GOLD lost \$1 to close at \$343.25, a fall of \$1.75 on the week. In New York the March close was \$333.4. Page 21

WEST GERMAN inflation rate slowed to 5.8 per cent in February, compared with 6.3 per cent in the two previous months and a 6.7 per cent peak in October. Page 2

OFFSHORE oil companies and industry analysts appealed for easing of oil taxation in the Budget. Page 3

BRITISH STEEL is introducing a scheme involving 900 redundancies at its Ravenscraig, Scotland works without union approval. Back Page

DUNLOP workers' leaders threatened a national strike if the company refuses to discuss its strategy. Page 4

NALGO called for strikes if any members were made compulsorily redundant. Page 4

MASSEY FERGUSON reported a net loss of \$73.5m (£40m), compared with a loss of \$81.5m for the first quarter of fiscal 1982. The Toronto-based farm and industrial equipment maker is seeking further bank support. Page 19

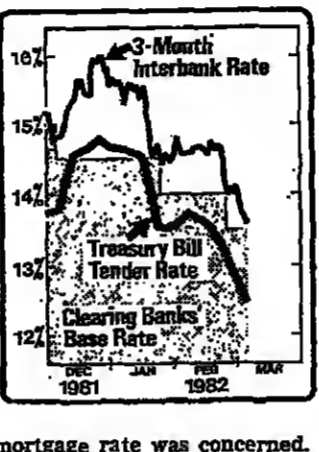
R. P. MARTIN, the currency broker, increased taxable profits to £3.55m (£705,000) for the six months to December 31, following his merger in August with the Bierbaum Group. Page 16, Lex, Back Page

AULT and WIBORG, the patents and inks maker, reported pre-tax profits of £120,000 (£1.15m) for 1981. Page 16

Cut in mortgage rate expected next week

BY MICHAEL CASSELL AND MAX WILKINSON

BUILDING SOCIETIES are expected to cut their mortgage rates by about 1 1/2 percentage points next week, when bank base rates will probably also be reduced.



The Abbey National, the second largest building society, said yesterday that competition from the banks made it vital for the societies to get back in the driving seat.

A cut in the clearing banks' base rates of a 1/2 per centage point to 13 per cent was being widely forecast yesterday after the Treasury Bill tender rate, the rate accepted in the Bank of England's weekly auction of Treasury bills, fell 0.79 of a point to 12.5 per cent.

This would have indicated a minimum lending rate of 13 per cent under the old system. The clearing banks will wait for a firm signal from the Bank of England after the Budget on Tuesday before they move base rates down to this level.

The building societies are due to meet on Friday. Last night they were predicting that barring any major upsets in the Budget, the recommended mortgage rate would fall from its present record level of 15 per cent to about 13 1/2 per cent.

The societies expect the banks to reduce their own mortgage rates along with base rates, a move which they would have to follow.

The Abbey National, the second largest building society, said yesterday that competition from the banks made it vital for the societies to get back in the driving seat.

The markets therefore expect a fairly tight Budget, with public-sector borrowing for 1982 projected at between £9bn and £10bn.

The general view among the clearing banks and in the City is that the Bank is likely to accommodate a downward movement of interest rates by lowering its ceiling rate, the rate at which the Bank supplies funds to meet shortages in the money market on Wednesday.

Mr Christopher Johnson, economic adviser to Lloyds Bank, said yesterday that he expected base rates to be down 1/2 point next week, and to fall to 12 per cent by June.

The continued strength of sterling, which rose just over 1 cent to \$1.8385 yesterday, suggests that there should be no obstacle to an interest-rate cut.

The mood of optimism in the markets was reflected in a buoyancy of gilt-edged stocks.

The FT index rose two points during the week to 560.7, its highest since May 1 1981.

Equities followed upwards, with the FT index up four points on the day at 560.7.

Continued on Back Page Editorial comment, Page 14

OPEC drops emergency session to avoid open disagreement

BY RICHARD JOHNS

THE Organisation of Petroleum Exporting Countries has dropped plans to meet in emergency session in Geneva next weekend because of fears that failure to agree on a unified oil pricing and production strategy during the current world oil glut might seriously jeopardise Opec's future.

While a substantial majority of the 13 members belonging to the producers' organisation is in favour of a consultative conference as soon as possible, it is understood that the Geneva meeting has been deferred until the end of March at the earliest.

Crucial discussions will take place, meanwhile in Doha, Qatar, this weekend among Arab Oil Ministers, who were to meet there anyway.

Last night Dr Subroto, Indonesian Minister of Mines and Energy, was expected to join them there.

The most critical point at issue appears to be whether members are prepared to agree on a significant cut, at least \$4 a barrel, in the basic reference price for oil from the current level of \$34 a barrel in return for further production cuts by Saudi Arabia.

After talks earlier this week in Riyadh, the Saudi capital, Dr Mans Otaiba, current president of Opec, and the United Arab Emirates' Minister of Oil, said a consultative conference would be held by the end of the week.

Ehis statements followed the decision by the British National Oil Corporation to cut the price of North Sea crude by \$4, from \$35 to \$31 a barrel.

The pressure on Opec to lower its rates by at least a similar amount now seems almost unavoidable.

Dr Otaiba was sufficiently confident of the convening of an early meeting to instruct the Opec Secretariat in Vienna to book hotel rooms in Geneva for a gathering on March 13-14.

The reservations were cancelled yesterday, and the Intercontinental Hotel was informed that a date toward the end of March was most probable.

So far within Opec only Venezuela and Iran have cut prices, though neither is considered seriously to have broken Opec ranks. Nigeria appears the member most likely to follow them unilaterally if there is no agreement.

Saudi Arabia has yet to make its position known. The Kingdom has been opposed to holding an emergency meeting before the next ordinary conference, fixed for May 20 if emphasis threatens to be placed on levels of production, its own in particular.

Thatcher bolsters transport team to tackle BR problems

BY PETER RIDDELL, POLITICAL EDITOR

THE MINISTERIAL team at the Department of Transport is being expanded to deal with the greater workload arising from British Rail's problems and the debate over heavy lorries.

The move has come as part of a reshuffle of medium-ranking and junior ministers announced yesterday by the Prime Minister.

It follows last month's resignation, for personal reasons, of Mrs Sally Oppenheim, the Minister of Consumer Affairs. She is being replaced by Dr Gerard Vaughan, previously Minister of Health.

The main promotion involves Mr Kenneth Clarke, who moves up from being a junior transport minister to become Minister of Health. Aged 41, he is regarded by the Prime Minister as one of the most successful parliamentary under-secretaries.

Mr Clarke has been widely seen at Westminster as an impressive defender of the Government's transport policy when the political standing of Mr David Howell, the Transport Secretary, has been under pressure from Tory backbenchers, especially over the issue of heavy lorries.

The moves have no political significance in terms of the balance of the Tory party, although Mr Clarke is on the moderate wing. The intention is apparently to give additional experience for some long-serving and successful junior ministers and to strengthen the Department of Transport.

MPs at Westminster were yesterday surprised that the opportunity had not been taken to drop one or two of the ministers who have been less successful and are in their late 50s.

Continued on Back Page Editorial comment, Page 14

Plenty of advice for Sir Geoffrey, and Alliance offers mortgage plan, Page 3

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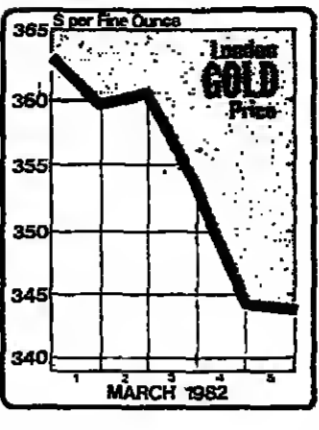
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Gold falls to \$343.25 in London

BY DAVID MARSH

THE GOLD PRICE slipped further yesterday as both the Soviet Union and Iran recently reported to be unloading bullion—took the unusual step of denying blame for the price slide.

In London gold fell at one point yesterday morning to as low as \$336 an ounce in very active trading. It recovered to close at \$343.25 an ounce, \$1 down from Thursday.

The fall to a fresh two and a half year low took the decline during the week to \$19.75. Sales of gold by disappointed Middle East investors, both individuals and central banks, have been an important factor behind the recent fall.

Among other countries rumoured to have been selling recently are Romania and Singapore. Iran has denied that it has been involved. Bank Markazi, the country's central bank, said it had not sold "even one ounce of gold in recent weeks."

Reports to the contrary were "unfounded rumours and totally false speculations."

The Soviet Union, which increased gold sales last year to finance grain imports and aid for Poland, also took steps yesterday to calm the bullion market. Its Foreign Trade Bank, which directs Russian gold sales, asked at least one international bank it deals with to disclose

Continued on Back Page Feature, Page 14

Paisley's claim to lead N. Ireland rebuffed in election

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE REV IAN PAISLEY'S claim to the leadership of Protestant Ulster received a rebuff in yesterday's South Belfast by-election.

The Rev Martin Smyth, Grand Master of the Orange Order, held the seat for the Official Unionist Party with a convincing majority of 5,397 votes. Mr Paisley's Democratic Unionist Party surprisingly came a poor third.

The result indicates a sharp drop in the Official Unionist share of the vote to 39.3 per cent from 61.7 per cent in 1979, when the Rev Robert Bradford won the seat for them with Democratic Unionist support.

Following his murder by IRA gunmen last November, and the Official Unionists' refusal to fight on a joint Unionist ticket, the Democratic Unionists mounted a strong challenge, which, it was widely thought, might signal the end of the older, more conventional official Unionists.

However, the successful defence of the party's last remaining Belfast seat may inject new life into a demoralised party, which had begun to think the Paisleyite handwagon was unstoppable.

It will also be welcomed in London, where a victory for Mr Paisley would have presented a serious setback for plans to set up an elected assembly in the province later this year. Mr Paisley must now look less likely to win enough seats in the assembly to veto attempts to increase the Roman Catholic minority in running the province.

The result also comes as a disappointment for middle-of-the-road Alliance Party, which had hoped to profit from a more even split in the Unionist vote. However their candidate, Mr David Cook, at least held on to his party's 1979 share of the vote.

Dr Ailsidair McDonnell, the Social Democratic and Labour Party candidate representing a small Roman Catholic minority in the constituency, improved marginally on his 1979 performance, successfully fending off a challenge from the United Labour Party.

The by-election shows no appreciable shift in the political climate. The turn-out was fractionally lower than in 1979, reflected mainly in a 3,000 vote drop in the combined Unionist vote.

However, it could prove a turning point for the two major Unionist parties. There can be little doubt that Mr Paisley, who overshadowed his party's candidate throughout the election campaign, was the real challenger. During the past three weeks, he has campaigned intensively with the help of a large, well-funded party machine, stressing his party's right as the true heirs to the Rev Robert Bradford.

Mr Paisley yesterday shrugged off his defeat: "You don't win them all," he said. "I'll live to fight again."

Advertisement for Pioneer Mutual Insurance Company Limited, including contact details and logo.

Advertisement for Gold falls to \$343.25 in London, including a small graph and text.

Advertisement for Denied, including text about international banks.

Advertisement for UNIT TRUSTS, including a list of funds and their performance.

Advertisement for THE MONEY OBSERVER, including contact information.

Advertisement for AMERICAN RECOVERY FUND, including details about the fund.

Advertisement for FROM £1,000, including details about investment options.

Advertisement for THE M&G GROUP, including contact details and logo.

Table titled 'THE RESULT' showing election results for various candidates and parties.

Table titled 'General Election May 1979' showing results for various candidates and parties.

Table titled '\$ in New York' showing exchange rates for various currencies.

Table titled 'UNIT TRUSTS' showing details about various investment funds.

Table titled 'AMERICAN RECOVERY FUND' showing details about the fund's performance.

Table titled 'FROM £1,000' showing details about investment options.

Table titled 'THE M&G GROUP' showing details about the group's services.

Advertisement for THE M&G GROUP, including contact details and logo.

Table of Contents listing various sections and their page numbers.

OVERSEAS NEWS

W. German rate of inflation slows in February

WEST GERMANY'S year on year inflation rate slowed significantly last month to 5.8 per cent, the Government said yesterday. The slowdown is the most encouraging inflation news for the economy for some months. It comes as the key negotiations in the current wage round appear to be reaching a head. Against a background of token strikes organised by West Germany's largest trade union, I. G. Metall, one of the metal industry's major employers, Volkswagen, offered its workers a 3.9 per cent wage increase. The offer is slightly higher than the 3 per cent increase which employers in other district negotiations have proposed. This reinforces the impression emerging from arbitration negotiations that progress is being made towards bringing the two sides together. The further decline in the inflation rate—February's 5.8 per cent compares with a 6.3 per cent rate of increase in the two previous months and the peak rate of 6.7 per cent in October—will put pressure on the union to modify its position. I. G. Metall has so far stuck to its initial 7.5 per cent wage claim, although most observers conclude that the dispute now revolves around whether the increase will be between 3 and 4 per cent, as the employers want, or a rise of between 4 and 5 per cent. A speedy settlement of the metal industry wage round with a rise of about 4 per cent could clear the way for the Bundesbank, the German central bank, to ease interest rates further. The Bundesbank yesterday added D M5bn (£1.9bn) of short-term liquidity to the financial markets through repurchase agreements at an interest rate of 9.75 per cent. The Bundesbank is watching for a settlement in the pace-setting metal industry wage talks before deciding whether it has further room for manoeuvre in reducing interest rates. The further decline in the cost of living—the month on month increase in February was 0.3 per cent—will help the Bundesbank decide whether to ease its monetary policy. So too will the better performance recently of the D-Mark against the dollar on the foreign exchanges. The latest economic statistics for the industrial sector have underlined the need for lower interest rates to help revive the German economy. The Government has reported that industrial production in January continued to be weak, although there was some recovery from December's depressed level, the combined figures for the two months still show industrial production to be stagnating compared with the two previous months. New industrial orders in January were 2.8 per cent down compared with January a year ago.

No plan to keep out imports—Mauroy

BY JOHN WYLES IN BRUSSELS M PIERRE MAUROY, the French Prime Minister, denied yesterday that protection against imports formed any part of his Government's strategy for reviving some of France's basic industries. At the end of a visit to the European Commission M. Mauroy admitted with remarkable candour that electoral campaign slogans cannot be literally applied, once in government. He was referring to the Socialist Party's promise to "reconquer the domestic market" which has since given birth to an industrial strategy whose protectionist features are seriously worrying France's Community partners. "Reconquering is a slogan which was needed in the electoral campaign. But we have to adapt it, because you can't use the phrase in the same way once you have Governmental responsibilities," the Prime Minister said. He added: "The experiment which is going on now is not protectionist and in no way can it be protectionist."

What does the Investors Chronicle tell you this week?

- * How persistence pays off when raising bank finance for small business.
* A layman's checklist for the Budget—we tell you what to watch for... and how to assess the repercussions on the market, business and the government.
* We put the spotlight on CAPARO and the man behind it—you'll be hearing more about this fast-growing public and private empire.
* Special supplement on PENSIONS. PLUS our usual monthly share information service, beginner's guide to the stockmarket series, international investment review and critical company analysis.

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Peking frees Kuomintang officials in unity move

By Tony Walker in Peking IN AN apparent further attempt to create favourable conditions for reunification talks, Peking yesterday announced it was releasing more than 4,000 Kuomintang officials from jail and would pay their fares to Taiwan if they wanted to leave. The announcement by the New China News Agency said those to be released would include party, government and military personnel below county or regimental level. This presumably refers to minor officials still held in custody. This is the second large batch of Kuomintang personnel the Chinese have released over the past 10 years. In 1975, China released officials above county or regimental level. Today's New China News Agency story gave no clue as to how many Kuomintang officials still remained in custody. Zhao Gangli, the Chinese public security minister, said those officials to be released had "repented and by and large turned over a new leaf after a long period of education and reform." Mr Zhao said "proper arrangements" would be made for the released officials. Jobs would be assigned to those who still had the ability to work. "Those who wish to return to Taiwan will be provided with adequate fares and conveniences." In September last year, China put forward a nine-point programme for the reunification of Taiwan with the mainland. The proposal included guarantees of autonomy for Taiwan after reunification, including the continuation of its present social and economic system and the maintenance of its armed forces. China said that it was willing to negotiate with the Nationalists on the basis of equality and to accept Taiwanese officials in senior posts in the central Government. The Chinese proposal sought to reassure the Taiwanese that socialism would not be imposed on them, but Taipei rejected the offer. Since September, China has continued its efforts to persuade Taiwan to enter into negotiations along these lines, including promoting several former prominent Nationalist officials to senior ceremonial posts in the Chinese People's Consultative Conference.

Easing of tax in Singapore modest budget

By Kathryn Davis in Singapore IN A modest budget apparently tailored to offset domestic political pressures, Singapore's Minister of Trade and Industry, Dr. Tony Tan, said yesterday that there will neither be new taxes nor tax increases in fiscal 1982 which begins next month. Forecasting a 66.3 per cent rise in the budget deficit, to S\$3,098m (£795m) Dr Tan announced four concessions for individual taxpayers at an estimated cost to the Treasury of S\$114m. From 1983, contributions to the Government's compulsory savings scheme, the Central Provident Fund (CPF) and contributions to other approved pension and provident funds, will be fully tax deductible on amounts over S\$5,000. Public utility bills (including electricity, water and gas) will no longer be subject to 10 per cent fixed charges. Tax will henceforth only be payable on consumption. Relief for the care of elderly dependants is to be increased, and exemption from estate duty on residential properties is to be raised to the full value of any one property or the existing exemption, S\$600,000, whichever is the greater. In the corporate sector, Dr Tan paid scant attention to the delegations which had asked for tax concessions prior to the budget. He said that in order to encourage offshore gold transactions as well as to develop the gold market further, gold deposits with bullion companies held by foreigners, who are neither resident nor domiciled in Singapore, will not be liable to estate duty. In what he described as "a modest concession" he announced that stamp duty on Asian Currency Units (ACUs) offshore loan agreements, abolished on April 1 1980, will not be subject to ad valorem stamp duty (maximum S\$500) when repatriated to Singapore even if signed before 1980. Total estimated expenditure for 1982 is S\$12,440m, compared with S\$9,632m in the current year. Most of the modest tax concessions announced by Dr Tan are aimed at lower-paid Singaporeans.

Court stops work on Frankfurt runway

Labourers digging foundations for a controversial third runway at Frankfurt airport stopped work yesterday following a court decision suspending earth work on the project, AP reports from Frankfurt. Officials said the court decision could delay digging work for several months, but the felling of millions of trees to make way for the runway and extension of the airport—bitterly opposed by ecologists—would continue.

U.S. presses Angola over Namibia

BY QUENTIN PEEL, AFRICA EDITOR DR CHESTER CROCKER, the U.S. Assistant Secretary for Africa, and Sen. Paulo Jorge, the Angolan Foreign Minister, yesterday ended two days of talks in Paris which could play a crucial role in promoting a peaceful settlement in Namibia (South West Africa). The meeting coincided with renewed efforts by the five members of the Western contact group to persuade the black states of southern Africa to give their blessing to a one person-two vote election system in the dispute territory, designed to win its independence from South Africa. No details were released

DOUBT OVER HAIG CLAIM

Supposed Nicaraguan disappears

BY ANATOLE KALETSKY IN WASHINGTON

THE NICARAGUAN OFFICER who was said by the U.S. Administration to have been captured in El Salvador, leading the guerrillas, has escaped, according to the Salvadorean Defence Minister, Gen Guillermo Garcia. Gen Garcia was contacted late on Thursday night after Mr Alexander Haig, the U.S. Secretary of State, had told a Congressional committee in Washington that the capture of a Nicaraguan officer by Salvadorean troops confirmed the Reagan Administration's contention that the insurgency in El Salvador is "commanded and controlled" from Nicaragua and Cuba. Soon after this Sen Napoleon Duarte, the President of El Salvador, told reporters that



President Ronald Reagan and his wife Nancy sit on the dock at "Lake Lucky" on their ranch in Santa Barbara, California, where they are celebrating their 30th wedding anniversary

Portugal censure motion fails

By Diana Smith in Lisbon THE PORTUGUESE coalition Government has survived a censure motion proposed by the Socialist Party. The parliamentary majority enjoyed by Sr Francisco Balsemão's Alliance of social Democrats, Christian Democrats and Monarchists made it impossible for the Socialist Party to move to more than a formal show of opposition. It seemed, from the tepid debates over the motion, that Sr Mario Soares and his Socialist Party were as keen to be seen as an active opposition as to present a concrete set of alternatives to the Balsemão Government's policies. The Portuguese Communist Party, which has sworn to topple the Government, is back on the attack. The party's tied union confederation, CGTP, is holding more than 20 rallies across the country today. The second strike in a week by pilots at Portugal's ports—except in the southern tanker port of Sines—is causing expensive delays to shipping. The pilots, who are striking for improved wages and conditions, say they will come out indefinitely on March 9 if their demands are not met.

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"honestly at this moment" he did not know about the Nicaraguan officer. Garcia later told CBS news that the Nicaraguan had indeed been captured several days ago and that he had entered El Salvador as "a subversive adviser."

Questioning

The Nicaraguan, named as Sr Ligdamis Anaxilis Gutierrez, was being held for questioning when he escaped under mysterious circumstances, when being taken to the Mexican Embassy in San Salvador to identify another suspect, according to Gen Garcia. Mexican Embassy officials denied all knowledge of this story and the U.S. State Department said yesterday that it had

U.S. sends envoy to Chile for human rights assurances

BY OUR WASHINGTON CORRESPONDENT

THE U.S. State Department has sent a top official to Chile in an apparent attempt to obtain assurances on human rights from the regime of President Augusto Pinochet before resuming military aid. The aid was promised by President Ronald Reagan last December. Officially, Mr Thomas Enders, Assistant Secretary of State for inter-American affairs, is travelling to Chile and Argentina to "discuss all aspects of U.S. relations with these two governments." But the main reason for his trip to be the dispute within the Reagan Administration over the resumption of military aid to Chile. The congressional vote which gave President Reagan the power to supply arms and military aid, requires him to certify that Chile has made "significant progress in complying with

U.S. unemployment continues to rise

BY ANATOLE KALETSKY IN WASHINGTON

AFTER its freak dip to 8.5 per cent in January, unemployment in the U.S. continued its steady climb last month, rising to 9.6m or 8.8 per cent of the labour force. Administration officials and private economists are virtually unanimous in predicting that unemployment will soon exceed its post-war peak of 9 per cent, reached in May 1975. Earlier this week Mr Tom McNamara, Deputy Treasury Secretary, conceded that the unemployment rate could move into double figures later this year even if the economy begins to recover. The January and February figures probably understate the true magnitude of the problem. The unprecedented cold weather has deterred people from seeking work and thus reduced the apparent size of the labour force, so there is little comfort in the fact that February's seasonally adjusted rate of 8.8 per cent is exactly the same as the rate recorded in December. Nevertheless, it does appear that the underlying rate of increase is slowing down. Between July, when the current upturn in unemployment began and December, the unemployment rate increased by 1.6 per cent after seasonal adjustment. In addition to the increase in wholly unemployed workers, there has been a big jump in part-time working by people who have given up the search for full-time work. Part-time working increased by about 500,000 to a record figure of 5.6m. The significance of unemployment as a social problem is indicated by the breakdown of joblessness by race and age. Unemployment among blacks is now 17.3 per cent, compared with white unemployment of 7.7 per cent. Teenage unemployment has risen to 22.3 per cent and the rate for black teenagers, aged between 16 and 19, is recorded as 42.3 per cent.

UAW opens pay talks with International Harvester

BY PAUL BETTS IN NEW YORK

THE UNITED AUTO WORKERS (UAW) trade union agreed yesterday to start early negotiations on a new labour contract with International Harvester, the financially troubled U.S. farm equipment group. The decision to start early negotiations follows last week pact between the UAW and the Ford Motor Company involving a 21-year contract granting Ford major labour concessions expected to save the car company about \$1bn. International Harvester has been seeking some \$100m in labour concessions from the union. The company claims these concessions are a key to its recovery programme. At the same time, the UAW also indicated yesterday it is prepared to re-open negotiations with General Motors on a new contract. The union has called a meeting of its General Motors council next week to consider whether to return to the bargaining table with the company's number one car maker. The UAW said yesterday local union leaders supported a resumption in negotiations with GM, which has recently said it would welcome such talks. As expected, the agreement between Ford and the UAW on a new contract has cleared the way for negotiations between the car union and other major companies.

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BY QUENTIN PEEL, AFRICA EDITOR DR CHESTER CROCKER, the U.S. Assistant Secretary for Africa, and Sen. Paulo Jorge, the Angolan Foreign Minister, yesterday ended two days of talks in Paris which could play a crucial role in promoting a peaceful settlement in Namibia (South West Africa). The meeting coincided with renewed efforts by the five members of the Western contact group to persuade the black states of southern Africa to give their blessing to a one person-two vote election system in the dispute territory, designed to win its independence from South Africa. No details were released

Polish priest jailed for 'slandering' army regime

A MILITARY COURT has sentenced a Roman Catholic priest to 3 years in prison for "slandering" Polish leaders in a sermon delivered one week after imposition of martial law, a Warsaw newspaper said yesterday. AP reports from Warsaw. This was the first reported instance of legal action against a priest by martial law authorities. The newspaper Sztandar Mlodych said the court meted out the sentence to Father B. Jaworski following a trial in Koszalin. The prosecutor had asked for six years imprisonment, the paper added. There was no indication of when the verdict was handed down. Polish officials had confirmed that one priest was on trial for "slandering" Gen Jaruzelski, the Polish military leader, but other details were withheld. The verdict was reported a few hours before a U.S. Congressional delegation was to meet with Archbishop Jozef Glemp, Primate of the Polish Church. The delegation arrived on Thursday for a three-day fact-finding trip, and was also due to meet leading Government Ministers. Meanwhile, Poland's hard-line army newspaper Kujawski Wolnosci, warned of "terrorism" in the country and said it would be "dangerous to ignore" such crimes. "A significant cause of acts of terror in our country must be seen in the effects of indoctrination by anti-socialist organisations and the extreme wing of Solidarity prior to the introduction of martial law," it said.

U.S. sends envoy to Chile for human rights assurances

THE U.S. State Department has sent a top official to Chile in an apparent attempt to obtain assurances on human rights from the regime of President Augusto Pinochet before resuming military aid. The aid was promised by President Ronald Reagan last December. Officially, Mr Thomas Enders, Assistant Secretary of State for inter-American affairs, is travelling to Chile and Argentina to "discuss all aspects of U.S. relations with these two governments." But the main reason for his trip to be the dispute within the Reagan Administration over the resumption of military aid to Chile. The congressional vote which gave President Reagan the power to supply arms and military aid, requires him to certify that Chile has made "significant progress in complying with internationally recognised standards of human rights." The State Department's Bureau of Human Rights and the Justice Department have been preparing reports on Chile's human rights record. They are reported to have doubts about the possibility of certification. In addition, there is concern in the Administration that a controversial human rights certification on Chile may revive attacks on the President's claim that human rights have been improving in El Salvador. The military aid proposed for Chile amounts to only \$50,000 (£27,500) for training. President Jimmy Carter's decision to stop aid in 1977 on human rights grounds was strongly attacked by right-wing groups.

Attempt to kill 'heir' to Khomeini

BY TERRY POWY

GUERRILLAS IN Iran have tried to kill Ayatollah Muntazeri, the man many see as the successor to fundamentalist leader Ayatollah Khomeini, the Iranian state news agency reported yesterday. The attempt appears to have been part of a concerted attack by the principal guerrilla group, the Peoples Mojahedin, on regime leaders in retaliation for the killing last month of its military commander, Mr Mousa Khatibani. The assassination attempt was said to have taken place on February 24, about the same time that guerrillas tried to kill the country's chief of police and to blow up one of the revolutionary committees in Tehran. Guerrillas also detonated a bomb inside one of the main security centres in the capital, made during raids into the northern city of Amol and killed a number of minor officials, including two clerics. It was at this time that Ayatollah Mahdavi-Kani, a former Premier, admitted that as many as 10 members of the security forces were dying in the capital each day in clashes with guerrilla-led opposition. Meanwhile, in Tehran, yesterday, the head of the revolutionary courts said that about 10,000 people are to be released, as part of the commemoration of the third anniversary of the Islamic revolution.

UAW opens pay talks with International Harvester

THE UNITED AUTO WORKERS (UAW) trade union agreed yesterday to start early negotiations on a new labour contract with International Harvester, the financially troubled U.S. farm equipment group. The decision to start early negotiations follows last week pact between the UAW and the Ford Motor Company involving a 21-year contract granting Ford major labour concessions expected to save the car company about \$1bn. International Harvester has been seeking some \$100m in labour concessions from the union. The company claims these concessions are a key to its recovery programme. At the same time, the UAW also indicated yesterday it is prepared to re-open negotiations with General Motors on a new contract. The union has called a meeting of its General Motors council next week to consider whether to return to the bargaining table with the company's number one car maker. The UAW said yesterday local union leaders supported a resumption in negotiations with GM, which has recently said it would welcome such talks. As expected, the agreement between Ford and the UAW on a new contract has cleared the way for negotiations between the car union and other major companies.

U.S. presses Angola over Namibia

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Chester Crocker

Mexico oil find

Mexico yesterday announced a further major oil shale discovery in the state of Tlaxcala. William Chislett writes from Mexico City. Pemex, the state oil concern, said the new oil, Bellota, could yield 8,000 b/d of light oil (39 api). Last week Pemex announced what it called a "fabulous" discovery in the same area with "super" light oil, but gave few details.

Radiation death

Atomic Energy of Canada has confirmed that on-the-job exposure to radiation probably caused the cancer that killed one worker last year at its Chalk River nuclear laboratory and disabled another, Vieter Mackie reports from Ottawa.

N-plants cancelled

After investing \$2.1bn in three nuclear plants, directors of the Tennessee Valley Authority (TVA) have voted to stop building them. AP-DJ reports from Knoxville. Lay-off orders to begin later this month for nearly 5,000 construction workers at the three plants.

Gold price fear

A record deficit of R4.5bn (£2.5bn) on the current account of South Africa's balance of payments is likely in 1982 if the gold price averages \$380 an ounce, according to Standard Bank Investment Corporation. AP-DJ reports from Johannesburg. The deficit reached an estimated record R4.3bn in 1981.

Begin better

Israel's Prime Minister, Mr Menachem Begin, who was taken ill at a banquet for President Francois Mitterrand of France on Thursday night, resumed his duties yesterday and visitors reported he was well. Reuters reports from Jerusalem. The French leader left Israel yesterday.

Customs strike

Customs officers at Paris's Orly Airport stopped work for 48 hours yesterday as part of a campaign for shorter working hours and two of them started a hunger strike, Reuter reports from Paris.

Car layoffs

About 40,000 workers from Fiat SpA's car division were laid off for nine days last night, Fiat said. Reuter reports from Turin. Fiat has announced that 60,000 car workers will be laid off for another week over Easter as part of its strategy to run down stocks of finished vehicles.

Greek deficit

Greece had a trade deficit of \$6.67bn last year, compared with a deficit of \$5.80bn in 1980, the Bank of Greece said yesterday. Victor Walker writes from Athens. Figures released a week before the budget is presented to Parliament point to a current account deficit of \$2.39bn, compared with \$2.21bn in 1980.

Japan nuclear deal

Japan and Australia formally signed a nuclear safeguards treaty yesterday which opens the way for new uranium export contracts which are due to come into effect this month, Reuter reports from Canberra.

UK NEWS

Former FT reporter had phone tapped

By Our Political Editor
A FORMER political correspondent of the Financial Times was put under surveillance and had his telephone tapped by MI5 under direction of the Cabinet Office.

The late Dr Paul Einzig, the paper's Political Correspondent from 1945 until 1966, faced such scrutiny as a result of an article in May, 1946, giving the Cabinet's reasons for omitting from the White Paper on the Iron and Steel Industry any justification of the Government's policy.

This is disclosed in the current issue of the Economist, which obtained from the Public Record Office the minutes and documents covering both the surveillance of Dr Einzig and Mr Frederick Kinn, London Correspondent of the Chicago Sun newspaper. They are described as being "responsible for embarrassing disclosures in the past."

A minute from the Cabinet Office (and Sir Norman Brook) the Cabinet Secretary, to the then Prime Minister (Mr Clement Attlee), said that the way to probe the leak was for "the Security Service" to use "special facilities" for surveillance of Mr Kinn and Dr Einzig.

The incident which led to the scrutiny of Dr Einzig has no apparent relation to security implications and was part of everyday work for any journalist in finding out how government decisions are reached.

The documents came into the possession of the Economist from the Public Record Office, where they had been released under the 30-year rule for publication of official files.

By Raymond Hughes, Law Courts Correspondent
A BROKEN whisky bottle cost a Panamanian shipowner \$89,000 in the Commercial Court yesterday.

Fragments of glass, recognisably from broken Johnny Walker Red Label whisky bottle, were found in cartons of frozen cherries that had been carried from the U.S. to Harwich aboard the refrigerated ship Ocean Dynamic, owned by Ocean Dynamic Lines.

Battered dispatch box symbolises Budget drama

Max Wilkinson examines the history of a unique Treasury ritual

THE BRITISH passion for pageantry and ceremony and the authorities' love of secrecy are aptly symbolised by that battered dispatch box which the Chancellor of the Exchequer carries on Budget day.

Annually the red-leather box, first used by Gladstone more than a century ago, is held aloft for the ritual photographs as a powerful symbol, to heighten the drama and mystery surrounding the Budget statement.

For weeks the Treasury muffles itself in a blanket of discretion to ensure nothing but a general favour of the Chancellor's plans seeps into print. A room is set aside in the Treasury. On its door is a sign: "Budget. Keep out."

These are sent to them in special envelopes labelled "Budget Secret," a classification higher than "Top Secret." These documents must be kept in private safes. Spot-checks may be made to ensure none of the numbered copies has wandered.

This theatrical suspense surrounding the Budget has no parallel in other countries. Whether it is desirable or necessary is being increasingly questioned.

The Treasury and the Civil Service select committees of MPs have recently taken evidence on whether Budget procedures should become more open, perhaps with a draft Budget published in late autumn.

This idea was proposed by a committee set up by the Institute for Fiscal Studies under the late Lord Armstrong. The indications are that the MPs will be sympathetic to any ideas which will demystify the process.

Compared with practices elsewhere the suggestions are hardly revolutionary. In the U.S., for example, the President's budget proposals are extensively discussed in general by congressional committees before he announces them.

In his resignation letter he said "I realise that this indiscretion itself did not result in any action detrimental to the state, but the principle of the inviolability of the budget is of the highest importance."

The question remains whether the secrecy appropriate to specific tax changes, or to other measures directly affecting markets, needs to be extended.

Such extension would be to cover the general decisions of policy, such as the amount of reduction to be applied or whether tax reductions should concentrate in one general area or another.

Advocates of a "Green Budget" say the Chancellor should publish his general proposals in good time for a full debate inside and outside Parliament before the detailed statement in the spring.

For example, Professor Robert Nield of Cambridge University, who took over the chairmanship of the Armstrong committee, told the select committee recently: "It is not all clear that decisions taken by small groups of people in great secrecy are good decisions."

Since Dalton's day City analysts have become more sophisticated in forecasting likely Budget changes and the Press has become more interested in economic news. So a great deal of well-informed speculation occurs already.

From this point of view the rituals of Budget secrecy might seem either irrelevant or anachronistic. There are, however, more substantial issues at stake.

As one official who used to be in the "magic circle" said: "The restriction of knowledge about the Budget judgment results in a concentration of power. In the Treasury one liked this, because one liked to be where the power was."

THE Social Democratic Party is prepared to take on the tobacco and drink industries by introducing statutory controls over the advertising, sales and ingredients of cigarettes and alcohol.

This will be proposed in a speech to an SDP conference this morning by Dr David Owen, one of the party's leaders. He will also commit the party to the elimination of lead in petrol, because he believes medical evidence on the harmful effects is totally convincing.

Dr Owen says Conservative and Labour governments have "gravely refused to challenge the commercial interests of the tobacco industry and advertising interests of the newspaper and magazine industry," in spite of massive scientific advice.

He says the SDP should face issues as clear as these. He argues that smoking and drinking in excess not only affect the individual but also those who suffer discomfort from cigarette smoke or drunken behaviour, the families of those who die from causes related to smoking and drinking, and the state financially through its provision of health services and widows' pensions.

A Social Democratic Government, he says, should amend the 1968 Medicines Act so that the health minister could specify tobacco and alcoholic products as substances which could endanger the health of the community if used without proper safeguards.

He says that this would make it possible to establish specialist committees to provide authoritative advice on the health risks of tobacco and alcohol. Both industries would be consulted before any orders were made.

Under the Act, cigarettes with an excessive tar, nicotine or carbon monoxide level could be prevented from being sold or imported if the necessary committee advised. The aim would be to put the issue into the medical and scientific arena.

The use of powers under the Act would also enable the advertising and promotion of both tobacco and alcohol to be controlled if voluntary agreement was not reached and in particular to ban sponsorship of sport by the tobacco industry.

Dr Owen says the advantage of this Act would be to allow the Government to be guided by special medical advice and provide an elaborate appeals machinery for the two industries.

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Plenty of advice for Sir Geoffrey

BY OUR POLITICAL CORRESPONDENT

A CACOPHONY of advice, support and criticism was addressed yesterday to Sir Geoffrey Howe, the Chancellor, by the then Prime Minister (Mr Clement Attlee), said that the way to probe the leak was for "the Security Service" to use "special facilities" for surveillance of Mr Kinn and Dr Einzig.

The debate centred both on what Sir Geoffrey should do, and on the proposals put forward last Tuesday by Mr Peter Shore, the Shadow Chancellor.

From the Tory side Mr Norman St John Stevas, the former Cabinet Minister and a prominent "Wet," said the Budget proposals might determine the fate of the next general election. He argued that if the Tories were to win the election the Budget should help provide hope for the future of creating a united party.

Mr St John Stevas stressed that it should be made clear that the period of restriction and sacrifice was now coming to an end.

After noting that the gap in the Tory party over economic policy had narrowed recently, he told Horncliffe Tories that there should be some stimulus to the economy, by planned investments, in the Budget.

In particular he urged abolition of a major reduction of the National Insurance surcharge, measures to stimulate capital projects, particularly in the private sector, and special measures to reduce unemployment.

Mr Shore said that if unemployment was not to increase still further in the coming year Sir Geoffrey on Tuesday must "deliberately and publicly abandon his public-sector borrowing target."

The Labour package was strongly attacked last night by Mr Nicholas Ridley, Financial Secretary to the Treasury. He said Labour had ignored the lessons learned by its last Government, and in particular maintained that the Government could not spend and borrow more without a major impact on interest rates and so on real, sustainable jobs.

Appeal to Howe over North Sea oil tax

BY RAY DAFTER, ENERGY EDITOR

OFFSHORE oil companies and industry analysts have made a last-minute appeal to Sir Geoffrey Howe, the Chancellor, to ease North Sea oil taxation in Tuesday's Budget.

Industry leaders have warned that taxation and falling oil prices are putting many development projects in jeopardy.

Mr John Raisman, chairman and chief executive of Shell UK, said that some \$500m-£600m could be spent by companies on development of 70 new fields in the next 20 years.

Timing and extent of the development projects would depend on factors which include government policies and international trends in oil supply and prices. The UK "stood at the crossroads" in development of the North Sea, he told members of the Scottish Region of the Energy Industries Council on Thursday night.

His views were supported by other oil industrialists and by stockbrokers.

Mr George Williams, director general of the UK Offshore Operators' Association, said he hoped the Chancellor would head the industry's plea for a reduction in overall level of taxation.

The past month's reduction of \$5.50 a barrel in UK oil price, and the present tax regime would inevitably force companies to review some investment programmes.

He said that the Chancellor introduced the 20 per cent Supplementary Petroleum Duty in the 1981 spring Budget after previous price increases. But since early June the reference price had fallen from \$39.35 to \$31 a barrel.

Liberal Party proposes £6bn reflation package

BY ROBIN PAULEY

THE Liberal Party's version of Tuesday's Budget would involve a £6bn reflation and the creation of at least 1m jobs, including 250,000 two-year training places, in the next three years.

Under the essential protection of a sustained incomes policy, the party's budget would include:

• The increase of all personal allowance thresholds and income tax thresholds by 12 per cent (at a cost of £1.455bn), and the increase of all personal allowances by a further 5 per cent (costing £555m) as part of the catch-up needed because of the failure to index last year.

• The abolition of the 3.5 per cent National Insurance Surcharge (costing £2.975bn).

• The reduction of the gas tax to cancel the 10 per cent domestic prices increase planned for October 1982 (costing £300m).

• The increase of child benefit by £1 in November, to £6.25 a week (costing £260m).

• The introduction of Chance to Work job-creation and training projects (costing £2.475bn), including, for example, rail electrification, rental of smallholdings, and the construction of projects such as the Channel tunnel and the Severn barrage.

The £6bn cost of these measures would be reduced, by more than £1bn, through increasing all excise duties by 12 per cent, to match the past year's inflation, leaving a net cost of £5.98bn. A deficit of £960m, which would represent a "neutral budget," would bring the final deficit to £6bn.

BCal 'could charter trains'

By Lynton McLean, Transport Correspondent

BRITISH RAIL and British Caledonian Airways should consider introducing chartered trains with airline staff and catering in place of short-haul domestic air services, Sir Peter Masefield, deputy chairman of BCal, said in London yesterday.

His idea for a BCal-BR shuttle for airline passengers is based on a novel rail-air link to be started in West Germany by Luftansa, the national airline, at the end of the month.

Luftansa has chartered three trains from the West German State Railways for a one-year experiment. The trains, in Luftansa colours and with Luftansa cabin attendants will be used to provide an alternative service to internal feeder flights.

Sir Peter told members of the Institution of Mechanical Engineers at a Railways Division meeting that BR and BCal should consider a similar scheme. Trains chartered by BCal, and in BCal colours run straight through from Manchester, through Birmingham and Victoria to Gatwick Airport.

Under the plans by Luftansa streamlined electric "airport express" trains will carry airline passengers at 125 mph between Frankfurt Rhein-Main Airport and Düsseldorf and the joint airport serving Cologne and Bonn.

Meals and complimentary drinks will be served to passengers at their seats, just as on airlines.

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Stock Exchange plan to raise charges attacked

BY JOHN MOORE, CITY CORRESPONDENT

THE UNIT Trust Association has attacked plans by the Stock Exchange for increasing its charges on share transactions within its market.

Through its association, the unit trust industry - representing nearly 2m small investors - has told the Stock Exchange that the small investor is being penalised to provide extra income for stockbroking firms which do not appear to need it.

The Stock Exchange faces widespread criticism from its major market users over the increased commission charges which it announced earlier this year. The British Insurance Association and the Investment Trust Association are two other bodies which have attacked the Stock Exchange for the proposed changes.

The Unit Trust Association has told the Stock Exchange that commission increases at the lower end of the scale are not justified by its own arguments. The Stock Exchange has contended that share prices and volume have not kept pace with increased costs. However, the association says this is not true in the small broking firms and points out that commission rates should fall if activity and share prices rise during the next few years.

The Unit Trust Association argues that such a reduction is perhaps unlikely, and says that it can see some justification for raising commission levels and the minimum commission, but none for increasing the percentage rate.

Among its criticisms of the proposed changes, the association attacks the level of research expenditure by brokers. It questions whether investors require all the research material that brokers send them, and points out that many unit trust managers believe that they do not. The association favours "unbundling" research for which service they would be prepared to pay.

The Stock Exchange and its chairman, Sir Nicholas Goodison, meets its critics of the new charges next Wednesday through a liaison committee. Earlier this week, Sir Nicholas indicated that the Stock Exchange might be prepared to modify the charges. "What is the point of having consultations if we are not prepared to make modifications," he said.

All major market users that have made critical submissions to the Stock Exchange have observed that a review of commissions prepared by the market does not provide a satisfactory case for increasing charges in the way suggested.

Alliance offers mortgage plan

BY ERIC SHORT

Alliance Building Society yesterday announced its scheme for the self-employed to obtain mortgage loans linked to their personal pension plans, thus becoming the first major building society to enter this growing field of lending.

It is being offered as an alternative to the normal endowment mortgage scheme. Interest is paid on the loan throughout the mortgage period and repaid from the tax-free cash sum available on the pension policy at retirement, instead of being repaid by an endowment assurance.

The major advantage to the borrower is that he gets tax relief at his top rate on the pension contributions, whereas with an endowment policy, tax relief is at only half the basic rate.

The interest charged is the same as for the normal endowment mortgage - one-half per cent above the society's recommended rate.

The plan is available to any self-employed with a pension contract approved by the society. At present it is willing to accept traditional with-profit contracts, but is still considering unit-linked schemes. The latter holds out the prospect of higher returns, but does not contain the financial guarantees of a with-profit plan.

Earlier this week, Barclays Bank announced details of its lending scheme based on pension contracts. William Cochrane writes: The Royal Institute of Chartered Surveyors said yesterday that it will abandon all RIGS scales of charges for the functions of valuation, management, sales and lettings; withdraw from agreements relating to fees for mortgage valuations with building societies and Barclays Bank; and retain recommended scales for quantity and building surveying services - although members will be permitted to quote fees in conjunction with other surveyors.

Housing starts up 2% on last quarter

BY ANDREW TAYLOR

THE UPSURGE in new house-building work is continuing. However, the level of activity is increasing from an extremely low base. Figures published yesterday by the Environment Department show that housing starts in the three months to the end of January were 2 per cent higher than in the previous three months.

The improvement is nonetheless encouraging, particularly as building work might have been expected to have been curtailed by the severe winter weather in December and January.

In the three months to the end of January, housing starts were 16 per cent higher than in the same period a year ago. Housing completions in the three months were, however, 8 per cent lower than in the previous quarter and 18 per cent down on a year ago. This reflects the low level of housing starts made in 1981.

The recent improvement in housing starts appears to have been led by an increase in building work by local authorities, which traditionally step up activity as the end of the financial year approaches and pressure increases to spend remaining housing allocations.

Public sector housing starts rose by 23 per cent in the quarter ending in January, compared with the previous three months, according to the figures. Compared with a year ago, public sector housing starts were 19 per cent higher. The underlying picture, however, is one of continuing reductions in the annual level of public sector starts.

In the private sector, housing starts during the three months were 5 per cent lower than in the previous quarter but 14 per cent higher than a year ago.

Amnesty seeks a healing alternative after the Thorpe debacle

David Tonge reports on the search for a British section head

AMNESTY-scourge of injustice and dictatorship, conscience of the world, symbol of forgiveness. These are some of the roles in which the 21-year old international human rights organisation has been cast.

The image has suffered this week in Britain following the row over the on-off appointment of Mr Jeremy Thorpe, the former Liberal leader, as head of its British section. Yesterday Amnesty staff were hoping that the decision to ask Ms Janet Johnstone, the acting director, to take the post would begin to heal the recent wounds.

Ms Johnstone said last night she needed several days to consider the offer. A personable American with long Amnesty experience, she has won the solid support of Amnesty's British staff during the eight months she has been trying to overcome earlier problems which led to the sacking last March of Mr Cosmas Desmond, a former Catholic priest, from the post of director of the British section.

Amnesty workers stress that Britain is only one of the 41 sections which make up the organisation, with just 18,000 of the total of 525,000 members. Britain also houses the Amnesty International Secretariat - and this secretariat is disturbed at what the row has highlighted.

Although Amnesty International and its British section are both to be found, surrounded by builders, in cramped offices in London's Covent Garden, they are entirely separate in role and organisation. The 150 staff of the International Secretariat collect material on prisoners of conscience throughout the world, deal with governments and international human rights bodies, and distribute their research to national sections.

EEC sugar surplus plan criticised

By Richard Mooney

FROM JULY, every EEC consumer by a bag of sugar they will contribute to the cost of storing surplus Community production, say British food manufacturers.

In response to criticism that dumping of EEC sugar is depressing the world market, the EEC Commission will hold about 1.7m tonnes of the market next season, in addition to normal carry-over stocks.

The food manufacturers, who account for more than half Britain's annual consumption of 2.2m tonnes, estimate that storage for this sugar will add at least \$5 a tonne to the consumer price.

"The final irony is that UK consumers will be paying out to meet a surplus of sugar to which the UK has not in any way contributed," the Cane and Eucalyptus, the Cocoa, Chocolate and Confectionery Alliance, and the Food Manufacturers' Federation said in a joint statement yesterday. They urged the Government to resist the proposed prices.

The service, called Transmode, will be run as a road-rail distribution service by National Carriers, a subsidiary of the NCC.

Sir Peter Parker, chairman of British Rail, inaugurated the service in London.

Transport service

THE NATIONAL FREIGHT Consortium of staff and managers launched its first new transport service yesterday since the consortium bought the state-owned National Freight Company from the Government last week.

The service, called Transmode, will be run as a road-rail distribution service by National Carriers, a subsidiary of the NCC.

Sir Peter Parker, chairman of British Rail, inaugurated the service in London.

ESKIMOS lobby CANADIAN ESKIMOS, in London yesterday to lobby MPs, will appeal to European MPs next week out to vote for an EEC ban on imports of seal products. They plan to lobby at Strasbourg before a vote which they claim would prove disastrous to their wellbeing.

The Eskimos think that their views have been lost in an emotional furore over seal-hunting. They say the hunt is a native tradition that has provided them with food and clothing for 15 centuries. Today the seal hunt is often the sole source of cash.

The Newfoundland hunt for harp and hooded seal pups begins on March 11, with the official quota, 186,000, set 9 per cent higher than last year.



Janet Johnstone: she is considering the offer

UK NEWS

BL car sales share rises to 19.32%

BY JOHN GRIFFITHS

BL'S SHARE of new car sales bounced back to 19.32 per cent last month after dipping to 14 per cent in January.

Two factors have helped BL's performance: special offers on models being replaced or run out, and initial registrations of new models—the latest Rover models and the bargain-basement Metro City launched in the middle of this month.

Table with columns: UK CAR REGISTRATIONS February 1981, February 1982, Two months ended February 1981, Two months ended February 1982. Rows include Total UK produced, Total imports, Total market, and various car models like Vauxhall, Opel, Peugeot, VW-Audi, Datsun, Renault, Fiat-Lancia, Volvo.

* Includes cars from companies' Continental associates which are not included in the total UK figures.
† Includes imports from all sources including cars from Continental associates of UK companies.
Source: Society of Motor Manufacturers and Traders

already producing cars at the rate of 83 per hour, against an official ceiling of 30 and UK management is coming under mounting union pressure to make the relatively small investment needed to lift annual capacity from 30,000 to 40,000 cars a year.

against 53.7 per cent in February 1981. Other traditional importers have also gained considerable ground: Volkswagen-Audi last month sold 7,912 cars against 5,734 in February 1981 and is now the leading traditional importer with a February share of 6.41 per cent.

3.58 per cent (5.32 per cent last year) but it is hoping for a revival from the horizon being built in the UK as of January and the launch this month of its own "supermini", the Samba.

Charter withdrawal shipowner criticised

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SHIPOWNER has been criticised by a Commercial Court judge for "stage-managing" a very profitable withdrawal of a vessel from a charterer who had mistakenly paid the wrong amount of hire.

Dorada deliberately thwarted the charterer's efforts to find out what was wrong — even instructing its bank not to tell Tradax why its payment had been rejected.

not on securing performance of the charter party under which the Lutetian was operating, but on stage-managing a very profitable withdrawal, enabling it to take advantage of the increased market rate for hire.

The case broke new legal ground, for it was the first in which a court had had to consider the situation of hire payment falling due while a vessel was off-hire.

Interest shown in Chatham dockyard

By John Hunt, Parliamentary Correspondent

A COMPANY has expressed interest in taking over shipbuilding and ship-repairing facilities at the Royal Naval Dockyard, Chatham, Kent.

Mr MacGregor said that altogether 12 companies and 11 consultancies had shown interest in moving into the dockyard, but it was too early to say whether these would become firm bids.

The companies' names are not being given at this stage. A joint study on the dockyard's future by the local authorities and the Government's Property Services Agency will be published by Easter, Mr MacGregor said.

Belfast Car Ferries may float shares

By Our Belfast Correspondent

BELFAST Car Ferries, which will begin sailing between Liverpool and Belfast at the end of the month may consider a public floating of shares.

Murdoch sets Monday deadline for Times redundancy pact

BY IVO DAWNAY, LABOUR STAFF

MR RUPERT MURDOCH, proprietor of Times Newspapers, flew back to London yesterday and warned that agreement on substantial redundancies on the Times and the Sunday Times must be reached by Monday night if their closure is to be averted.

Mr Murdoch said: "I am not confident or certain the news-sheeted staff will be able to get through and hopefully we will know the outcome by Monday at the latest."

There was widespread scepticism, however, over the company's hope of winning the full 600 staff redundancies and the 900 weekly casuals originally demanded.

Only 100 of 100 in permanent staff and 168 casual shifts have been announced. These figures will have been argued by more recent agreements.

Times's National Graphical Association machine-managers, is thought to be nearing agreement, as are talks with the Society of Graphical and Allied Trades.

The main talks are set to resume at 5 pm on Monday, just seven hours before the mid-night deadline expires.

Mr Murdoch's latest announcement appeared to be greeted with surprise by both management and unions yesterday. Both sides had earlier assumed the effective deadline for agreement would fall on Tuesday, when the first dismissals of clerical workers were due to take place.

Nalگو threat of strike over cuts

BY BRIAN GROOM, LABOUR STAFF

THE NATIONAL and Local Government Officers Association is calling on branches to begin immediate, all-out strikes if any members declare compulsory redundancy by a local authority.

The motion was backed by a recommendation to Nalگو's national executive to set up a fund to supplement normal strike pay of £20 a week for members who strike against redundancies and cuts.

Branches severely affected by cuts will be encouraged to strike indefinitely in defence of jobs and services, where possible in conjunction with other unions.

Delegates representing the union's 500,000 local government members decided this yesterday, at a meeting in London to draw up a strategy against further spending cuts.

It will seek the support of other unions; the TUC local government committee and the Scottish TUC to co-ordinate support for strikes and organise national demonstrations.

The meeting, of about 1,000 delegates, gave unanimous support for the 2,000 Nalگو members on strike in Islington.

Civil servants' union chief challenge Tebbit on report

BY JOHN LLOYD, LABOUR EDITOR

A CIVIL SERVICE union leader has challenged Mr Norman Tebbit, the Employment Secretary, to a wager on the issue of his concern to protect the weak against the strong.

Mr Les Moody, general secretary of the Civil Service Union, has written an open letter to Mr Tebbit challenging him to act on a report by the Advisory Conciliation and Arbitration Service on the contract cleaning industry, written over a year ago.

takes-over as general secretary of the Civil and Public Services Association in June, has sent a letter to members of the union's biggest branch in Longbenton, Newcastle-upon-Tyne, calling on them not to vote for Mr John Macrae, a militant tendency candidate standing for deputy general secretary.

But the civil aviation group of the CPSSA yesterday denounced as "disgraceful and unfounded" the attack on Mr Macrae, the union's aviation officer. It stated: "The aviation group recommended him to the CPSSA for deputy general secretary."

Overtime ban called off at BL truck plant

MORE THAN 2,000 workers at BL's Bathgate truck plant near Edinburgh decided yesterday to call off their two-year overtime ban, providing five-day working continues at the plant.

The Bathgate men last week ended a strike over redundancies contained in BL's survival plan for its truck division, and are now on full time working at the plant.

Mr Chris Bell, shop stewards spokesman, said the overtime ban had been called off because of the "massive" structural changes that would be needed at the plant, under its survival plan.

Tuesday appeal over Bathgate sit-in

AN APPEAL by Plessey against the lifting of a court order banning a sit-in at its Bathgate, West Lothian, factory is to be heard in Edinburgh on Tuesday.

Tilbury dockers may delay strike

LEADERS of 300 Tilbury dockers are to recommend postponement of a strike set for Monday over a 5.5 per cent pay offer. The dispute will be considered by the Ports Industry Council for the National Industry.

BUILDING SOCIETY RATES

Table with columns: Deposit rate, Share accounts, Sub'm rates, Term shares. Rows include Abbey National, Aid to Thrift, Alliance, Anglia, Bradford and Bingley, Bridgwater, Bristol Economic, Britannia, Burnley, Cardiff, Cardiff, Catholic, Chelsea, Cheltenham and Gloucester, Citizens Regency, City of London (The), Coventry Economic, Derbyshire, Ealing and Acton, Gateway, Greenwich, Guardian, Halifax, Heart of England, Hearts of Oak and Enfield, Hendon, Lambeth, Leamington Spa, Leeds and Holbeck, Leeds Permanent, Leicester, Liverpool, London Grosvenor, Mornington, National Counties, Nationwide, Newcastle, New Cross, Northern Rock, Norwich, Paddington, Peckham Mutual, Portsmouth, Property Owners, Provincial, Skipton, Sussex County, Sussex Mutual, Town and Country, Wessex, Woolwich, Yorkshire.

* Rates normally variable in line with changes in ordinary share rates. All these rates are after basic rate tax liability has been settled on behalf of the investor.

Scots concerned by local government Bill

Authorities north of the border see coming legislation as a further threat to democratic control, reports Robin Pauley

WHILE attention in the local government world focuses on further controversial legislation for England and Wales, concern is mounting in Scotland over moves which could change completely the relationship between central and local authorities north of the border.

The Convention of Scottish Local Authorities (Cosla) is warning all MPs that democratic local control of councils is threatened by the Local Government and Planning (Scotland) Bill now in parliament.

Scottish authorities have never been able to levy supplementary rates, for example, a facility only now being withdrawn from English councils.

Second, he will be able to change the rules about the levying and capping of rates without needing a new Act of Parliament.

Cosla says that in two years the Government has moved from measures aimed at influencing the aggregate level of local spending to measures to control the total level of spending and is moving to control the detailed spending of individual councils.

It adds that the developments are all the more alarming because of the "completely unsatisfactory criteria" used for judging expenditure. Scotland has not adopted the new but equally inconsistent block grant system of dispersing grant to councils. It operates the old scheme of two grants, one based on a council's "needs" and the other on its resources. But expenditure "guidelines" are also issued and grant reduced if they are exceeded.

Although these guidelines give official indications they are in no way meant to be mandatory. "But to describe as indicative guidelines which played a part in six authorities being convicted of excessive and unreasonable expenditure is stretching the meaning of the word," says Cosla.

Cosla complains that the Scottish Office no longer has meaningful discussions with the convention. In recent years consultations have been systematically devalued to the point of being rituals in many cases.

The outline of the 1982-83 rate support grant settlement was announced in a written parliamentary answer a fortnight before the final meeting. The referendum proposal (later abandoned) was suddenly tabled at a meeting without prior notice.

Cosla says the warning by the Layfield Committee of Inquiry into Local Government Finance (1976) that a choice must be made between central or local responsibility had been ignored. The committee predicted that failure to recognise the need for choice would lead to "an increasing shift of power to the centre but in circumstances in which responsibility for expenditure and local taxation will continue to be confused."

Cosla says this drift towards centralism has gathered momentum. Although it will prove difficult to stop, the process is not irreversible, "for it has been propelled by mistakes of fact and analysis," Cosla concludes.

Dunlop workers threaten national strike

BY OUR LABOUR STAFF

LEADERS OF almost 10,000 Dunlop workers have threatened a national strike if the company refuses to meet unions for talks on its corporate strategy.

The warning came after a meeting of the Dunlop Rubber Workers' Committee in London, where representatives from several plants expressed growing concern over recent manning cuts and factory closures.

Mr David Warburton, a General and Municipal Workers' Union national officer, said: "I have tried on three occasions to get Dunlop to meet with unions at national level and they have refused our request. Faced with such a position, we are now left with few options. There is no doubt that strike action is a strong possibility."

Dunlop said yesterday that it had had "no approach at all" from unions requesting talks.

"We would consider any request for a meeting on its merits, but we would have to consider it in the light of what it could achieve and what purpose it would fill," the company said.

Last week Dunlop reached agreement with 600 workers over the closure of a floor coverings factory at Brynmawr, South Wales, after a 12-week factory occupation.

Acas watching ramp row at Heathrow

THE Advisory Conciliation and Arbitration Service is maintaining contact with both sides in the British Airways ramp workers' dispute at Heathrow, in the hope of finding common ground for another meeting.

UNIT TRUST AND INSURANCE OFFERS. M & G Group, Vanbrugh Life Assurance, Lyndall & Co., London Life Association Ltd., G.T. Management Ltd., Britannia Intrnl. Invest Management Ltd.

Today's Rates 13 1/4% - 14 1/4%. Deposits of £1,000-250,000 accepted for fixed terms of 3-30 years. Interest paid gross, half-yearly. Rates for deposits received not later than 12.3.82 are fixed for the terms shown.

THE WEEK IN THE MARKETS

Bull run for gilt-edged

Gilt-edged stocks continued to make all the running on the stock market this week. Fueled by a strong performance in U.S. bonds, increasing optimism for an early cut in base rates after Tuesday's Budget and a tightening of supply in the absence of any Taps, the Government Securities Index hit a nine-month high.

Equities have been left way behind in the slip-stream. True they did not have quite as bad a time as last week when 25 points were clipped off the FT 30 Index but rises early in the week, which lifted the index by more than ten points in two days, evaporated in the face of mounting evidence that pressures on the company sector are not easing. The stocks to sales ratio has deteriorated and the Department of Industry reports a sharp fall in corporate liquidity in the final quarter of 1981.

A \$4 a barrel oil in North Sea oil prices was announced by the British National Oil Corporation on Tuesday. Sterling shrugged it off while the sector's share prices had already come way back ahead of the error. Since January 1 the Actuaries

Croda independent

Burmah Oil's attempt to make a \$73m cash bid for Croda Oil lasted 46 days and, in contrast to the explosive start when Burmah picked up 14.99 per

LONDON ONLOOKER

cent of its intended victim in a stock market down raid, the attack petered out with barely a whimper.

Two dates proved critical to the outcome. On Thursday, February 4 Croda, showing the audacious form with which it scored points off its opponent throughout, forecast a dividend rise of 86 per cent. That took Croda's share price way above Burmah's 70p per share terms and still left the speciality chemicals group with a healthy double figure dividend yield.

Burmah knew then that its original offer was as good as finished. It therefore had to make up its mind whether to go higher or to let its offensive drop. The fast date for such a decision was Monday March 1 when any new terms would have given Croda shareholders the fortnight required to study a better offer before the 60 day limit on takeover bids elapsed. Burmah took the easier option right on the deadline and the bid folded predictably last Thursday.

The bidder had won less than 2 per cent acceptance to add to its original down raid stake. Burmah said that it was sur-

prised at the confidence and detail of Croda's pre-tax profit forecast of £16m for this year and would have been prepared to pay a little bit more.

But it was the dividend which knocked the wind out of Burmah's sails. The bidder described the forecast as a "potentially damaging expedient" and said that Croda's ensuing share price would not be supported by past performance and future prospects.

Yet the stock market had been signalling that Burmah would have had a vastly better chance at about 90p per share. As it is, Burmah's much vaunted speciality chemicals division now lacks a key component. Croda would have taken Burmah a long way along this development route: the chances now are that the oil company must build this operation markedly less quickly.

But was Burmah right to back off so lamely, when another £20m, say, could have swung the issue? It knew that the chemicals cycle was swinging in Croda's favour although the strength of the upturn should not be exaggerated. It was aware also that Croda had made £16m pre-tax in 1977 and that another £2m this year would have covered that contentious dividend 1.35 times. It understood, too, that Croda was looking to get better returns from its businesses by

paring back such problem areas as gelatin. All of this was reasonably common currency and explains why at the turn in the industry's fortunes, Burmah launched its assault when it did.

Perhaps Burmah decided after a good deal of boardroom discussion that it should not afford more, perhaps Croda's confident crowing about the oil company's debt-filled balance sheet struck home. What is certain is that Burmah will hold its stake and that will not give Croda much leeway if speciality chemicals turn stickier later this year.

Unilever uplift

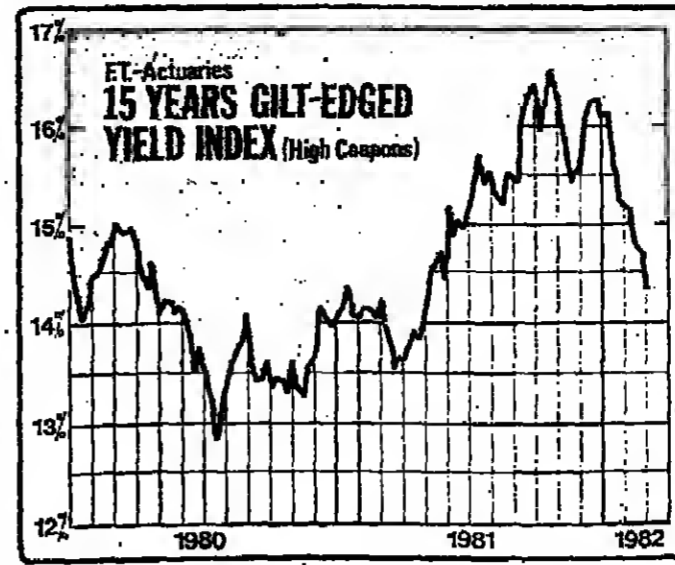
Unilever ended 1981 on a strong note. Figures released this week showed that the momentum, built up early in the year, carried right through to the closing months. Operating profits in the final quarter came out 13 per cent ahead of the comparable period at £144.2m, lifting the full year pre-tax total by nearly a quarter to £709.5m.

For the first time in half a decade sterling worked in Unilever's favour. Of the £136.5m pre-tax advance, some £22m came straight in from translation of foreign currency operating profits. But that extra gain only accounted for 3 per cent of the year's total profit and the results must be regarded as a fairly impressive performance given weak consumer spending levels in North American and European markets.

For the year as a whole sales volume rose by 2 per cent and trading margins widened from 5.7 to 5.9 per cent. Most of the margin improvement came from trimming overheads in Europe and particularly strong performances from operations in Australia, Brazil, Indonesia and South Africa.

The stock market has not been slow in latching on to Unilever's improved status. The shares have performed well. A year ago Unilever was yielding 7.1 per cent after the cut in the UK payout. Today that return is below 8 per cent even though the cash dividend has been raised by 17 per cent.

Looking forward, those fast growing markets outside Europe and the U.S. which made so much of the running in 1981 will be increasingly affected by the weakness in oil and commodity prices. In Europe continued pressure on consumer spending will aggravate the trend down market away from the group's frozen foods while in the U.S. Lever Brothers may be pushing



Shares closed down 1 1/2p yesterday at 51p.

Overall the first two quarters of 1982 are unlikely to produce much more than modest profits growth for Unilever. However, some recovery in economic activity in the latter half could step up the rate of advance and early estimates are suggesting that Unilever might produce £780m pre-tax this year, currency movements aside.

Mitchell Cotts

Shares of Mitchell Cotts have been as lacklustre as the big overseas trader's profits for the past few years. But since last autumn, there has been a surge of interest, as the group's specialisation in transportation and engineering has intensified.

The shares have moved up about 12 per cent to 52 1/2p since the minority interest in the group's big South African subsidiary was acquired in October and the 21 per cent increase in interim pre-tax profits to £4.3m announced this week bolstered hopes that a growth trend is finally being established.

Aside from continuing strong results from Australia and South Africa, the group's contract hire business in the UK has held up well and Bruda, the freight forwarding agent acquired last year ago Unilever was yielding 7.1 per cent after the cut in the UK payout. Today that return is below 8 per cent even though the cash dividend has been raised by 17 per cent.

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Doom and gloom

NEW YORK PAUL BETTS

INVESTOR CONFIDENCE in the U.S. appears to be waning fast. A growing sense of pessimism is sweeping Wall Street as businessmen, investors, institutions, the whole fabric of the Stock Market, is straining under Reaganomics.

It was the worst week in nearly two years on Wall Street. The Dow Industrial Average hit a 23-month low; some stocks are selling at their two- to five-year lows and even the high technology growth stocks cracked this week.

The situation has not reached the stage where people are jumping out of windows; nor is it likely to become that bad. It is just that Wall Street cannot see at this time any light at the end of the gloomy American economic tunnel. Companies are lowering their earnings forecasts for the first half of the year because the anticipated recovery appears from day to day further down the road. Some of the country's most senior executives appealed to President Reagan this week to change and compromise on his budget plans. The economic data continues to be distressing with the latest report on employment showing a February unemployment rate of 8.8 per cent.

With no signs of the recession ending, the big institutions, accounting for about two-thirds of trading, were re-adjusting their portfolios with a vengeance. In hectic trading—at times touching near panic—volume on the New York Stock Exchange swelled to 70.2m shares on Wednesday and to 74.3m shares on Thursday in some of the heaviest trading days in its board history.

The number of block trades on Thursday was the second highest on record and until the institutions complete their current hectic portfolio re-adjustments, the Stock Market is expected to remain extremely turbulent.

What happened to Data General, the high tech stock, on Thursday tells the whole market story. The stock plunged 10 points to \$324 in one session after the computer company's management forecast a decline in earnings in the current quarter. In the present nervous climate, the slightest bad news can literally clobber a stock, and with Data General sinking, most of the other high tech

stocks cracked. "This is what happens when people lose confidence," Mr Hilde Zagorski, of Bache, remarked yesterday. "Data General touched off the mass selling in the high tech sector on Thursday. It's just boom."

The energy stocks also continued to slide with institutions pulling out heavily of oil and oil service stocks. Wall Street analysts sent out sell recommendations for these stocks which were once the darlings of the market when oil prices were rising and rising. Now that they are falling, investors are deserting this group. Mobil, for example, is now down to \$20, its lowest level since 1978. Schlumberger, one of the most popular stocks of all, is trading at 43, down nearly 50 per cent from its 52-week high.

But the decline in oil service stocks is turning into a bit of controversy on Wall Street. The plus was pulled under this group this week when the influential firm of Cyrus Lawrence advised its clients to sell these stocks. Other analysts, however, feel that these stocks now offer extremely attractive buying opportunities because they do not believe the declining price of oil will effect earnings as much as the pessimists suggest. The worst by far in the oil service group have been Halliburton, Hochtief, Sudeco and Schlumberger.

Food and retailing stocks are beginning to carry favour again. These are the stocks which are seen as benefiting most from the inflationary climate and the big institutions have been switching from high tech energy into such consumer blue chips as Sears Roebuck and Proctor and Gamble. Sears was one of the brightest lights in an otherwise dark market this week. The stock has been advancing steadily in the last few sessions, gaining about 2 points since last week.

No one in Wall Street is prepared to say with any confidence when the general slide will finally come to an end. Most analysts feel that the selling has now been overdone, that the bids have reached their bottom, and that at some stage their is bound to be a technical rally of sorts. When is another current negative climate, is expected by some to continue to drift down below the Dow 800 mark.

MONDAY	823.39	+ 4.00
TUESDAY	825.52	+ 2.17
WEDNESDAY	818.74	- 6.78
THURSDAY	807.55	- 7.61

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1981-82	1981-82	
	Y'day	on week	High	Low	
FT. Govt. Sec. Index	68.36	+1.97	70.41	60.17	Hopes of cut in interest rates
FT. Ind. Ord. Index	560.7	+13.4	577.3	444.0	In sympathy with gilts
FT. Gold Mines Index	226.3	-37.1	429.0	226.3	Weak bullion price
Antofagasta Railway	685	+20	695	658	Resumption of dividends
Assoc. Cons. A	94	+13	96	39	Bid situation
Barract Dvcs.	262	+23	262	104	Prospect of cheaper mortgages
Berkley Exploration	260	-25	403	203	Weak oil sector
Campari Inc.	63	+9	63	32	Interim statement
Cons. Gold Fields	375	-45	543	365	First-half figures
Doornfontein	612	-131	613	612	Weak bullion price
Fisher (A)	364	+21 1/2	394	10	A. B. Millar acquires 28.9% stake
Fisons	285	+45	285	112	Better-than-expected results
Health (C.E.)	312	+32	315	167	Firm brokers on c/r'cy. influences
Poseidon	73	-18	304	73	Int. profits setback
Provident Financial	125	+15	148	93	Better-than-expected results
Randfontein Ests.	291	-31	639	119	Weak bullion price
St. George's Group	113	+21	116	69	Boys BTH laundry int.
Seitrust A	34	-10	120	34	Annual loss
UKO Int.	50	+8	75	29	Consult. Int. acquires 9.5% stake
Zetters	91	+9	112 1/2	69	Bid hopes

The Syndicate strikes back

MAY THE FORCE be with you, said one of the nicer characters in the film Star Wars. And indeed, the force was with them in sufficient strength to produce a follow-up, under the title of The Empire Strikes Back.

There were those in the diamond business who thought the force had deserted De Beers last year. The group, whose Central Selling Organisation handles the marketing of 80 per cent or so of the world's output of rough (uncut) diamonds, was plagued by a very weak market which saw the price of some stones fall by almost two-thirds.

In an attempt to stem the tide of falling prices, the CSO had no option but to stockpile stones in previously undreamt of quantities, so that the organisation is currently financing a stockpile worth perhaps R1.25bn (£700m), and this at a time of exceptionally high interest rates.

As if that were not enough to contend with, the CSO looked to be losing its touch as far as negotiating with the black African producer countries is concerned.

These negotiations are extremely delicate, as several of the countries involved make no secret of their dislike of South Africa's racial policies. They also frequently come under pressure from non-diamond producing African countries to cut their ties with what is basically a South African-controlled organisation.

Last year, Zaire succumbed to a combination of this pressure, the growing nationalism within the country, and the blandishments of three independent diamond dealers.

The CSO, or the Syndicate as it is more usually known in the business, lost its 14-year exclusive marketing contract with the country, the biggest producer of diamonds in the world—in volume terms, that is. Most of Zaire's output consists of the low-value industrial stones, with the result that the country ranks somewhat further down

the scale in terms of the value of its production.

But the Syndicate has struck back. The Rio Tinto-Zinc group's Australian arm CRA has recommended to its partners in the Ashton diamond joint venture in Western Australia that the Syndicate should handle the marketing of most of its stones.

Initial production from Ashton will come from alluvial deposits, at a rate of some 2m carats a year, but by the time the joint venture starts producing from the kimberlite pipe AK1 in 1985, capacity should be around 17m carats a year, and Australia will have easily outstripped Zaire as the biggest volume producer in the world.

Zaire's officially reported output in 1980 was just over 8m carats. Actual output was almost certainly far higher than this, perhaps totalling as much as 14m carats, with the balance over the official figure being illicitly mined and smuggled over the border to Brazzaville or Bulumburu.

The illicit diamonds are sold there, often through Antwerp, and not infrequently they eventually find their way into De Beers' sorting tables in London.

There were those in the diamond business who thought that the loss of Zaire's production was a serious setback for the Syndicate, and that it marked the beginning of the end of what is widely held to be the longest-running and most successful commodity monopoly the world has ever seen.

That has not, however, proved to be the case. There have been no signs that any of the other producer countries associated with De Beers wanted to follow Zaire out into the cold, and apart from a certain loss of face, the Syndicate has suffered very little.

With such a high proportion of industrial and near-gem material, Zaire has never been very rewarding financially, and if the present trend of falling production is not speedily

reversed, the country's significance as a diamond producer will decline even further.

Unfortunately for Zaire, large amounts of outside financial assistance will be required if output is to be restored to its former levels, and such help is not easily secured by a country so plagued with international debt already.

It looks, then, as though De Beers has managed to exchange one high volume, low value diamond producer for another—a fair exchange, on the surface.

MINING

GEORGE-MILLING-STANLEY

The difference lies in the fact that Zaire's importance is likely to dwindle still further in line with its falling production, while Ashton is clearly the mine of the future.

There is another important factor; one of the current customers for Zaire's diamonds told me recently that the quality of industrial goods he had seen from Ashton was markedly superior to the stones he was buying from Zaire.

Provided that the Ashton deal goes through—and it is still subject to approval by CRA's partners Ashton Mining and Northern Mining, the Western Australian Government and the Federal Government—De Beers would seem to have pulled off a remarkable coup. It looks very much as if the force was indeed with them this time.

Apart from De Beers, the news this week has been mixed. The good tidings came from improved results from the Gencor and Anglovaal groups in South Africa, Rio Tinto-Zinc's estimate that last year's profits were down by only about one-third, when many observers had been expecting an even steeper decline, and provisional agreements to develop two major prospects in Australia.

The bad news came from Seitrust Holdings, with a loss for 1981, EZ Industries, which announced a rights issue to bolster up its sagging financial position, and lower first-half profits from Consolidated Gold Fields. Even here, the gloom was lightened a little by the announcement of a maintained interim dividend.

The results from Gencor and Anglovaal gave some relief after the spate of poor returns from north American and Australian mining concerns over the past few weeks.

Gencor turned in attributable profits for 1981 of R319.5m (£178m), somewhat better than the market had expected, and is lifting its total dividend for the year to 175 cents (88p) from 150 cents in 1980 with a final payout of 120 cents.

Profits of the group's coal operations leapt ahead to R28.5m from R15.1m last time, but the other mining divisions were more or less unchanged.

The principal factor behind the growth in group earnings was the industrial and commercial division, which became for the first time the major contributor to Gencor's profits, overtaking gold and uranium. Full details are shown in the accompanying table.

It was the industrial side which helped Anglovaal to improve its first-half profits, too. Attributable profits came out at R28.9m, and the group raised its interim dividend to 90 cents from 75 cents.

The two Australian prospects were the huge Jabukuta uranium deposit in the Northern Territory, where Pancontinental Mining and Getty Oil have finalised a draft agreement with local Aboriginal interests some 10 years after the discovery was first announced, and Western Mining and BP Australia's Olympic Dam copper-gold-uranium prospect in South Australia.

More aid for the Self-Employed

Unlocking Retirement fund cash

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- This relief can be claimed in respect of unused relief for the previous 6 years.
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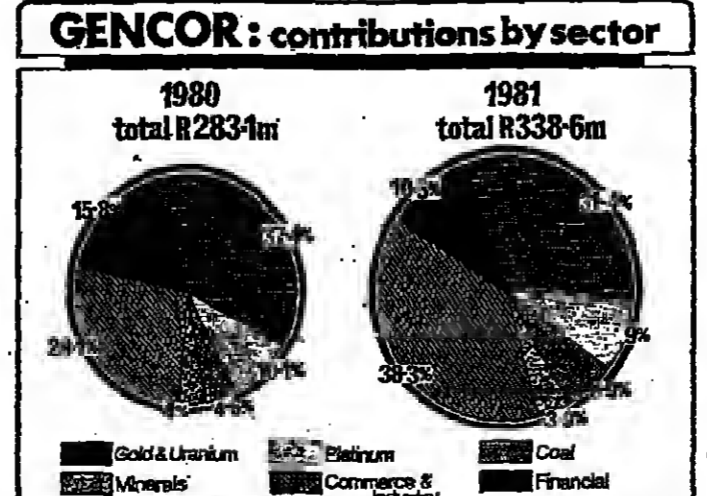
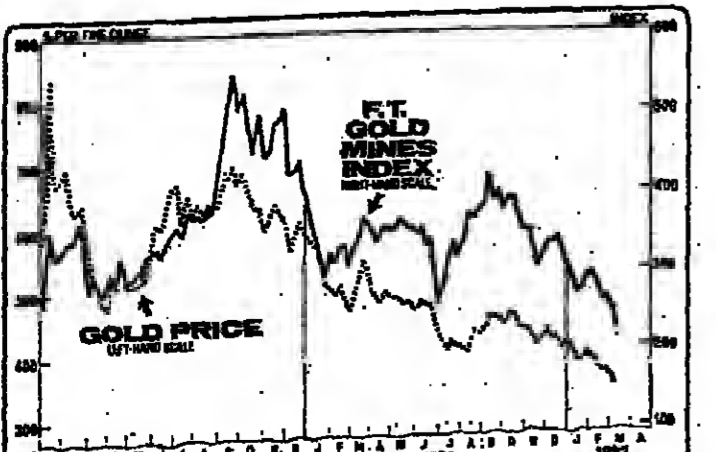
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YOUR SAVINGS AND INVESTMENTS=1

Richard Hanson reports on the Tokyo stock market

Shadow on the rising sun

IF THE Tokyo Stock Exchange were to devise a Doom and Gloom Index (let us call it the DGI, for short), of pessimistic market grist, it would now most certainly be climbing to new peaks. Nearly all the news in recent weeks has been decidedly (or at least potentially) awful. The stock market as a result has been understandably soured, indeed to the point of gloom. On Friday, partly reflecting Wall Street's miseries, the Nikkei Dow Index closed at its low for the year so far, Yen 7,263.54, a plunge of Yen 188.58 in just two days.

The market is also suffering the consequences of its own securities industry inability to sort out corporate financing bottlenecks. As was the case in last September's bear market, there has been a genuine rush

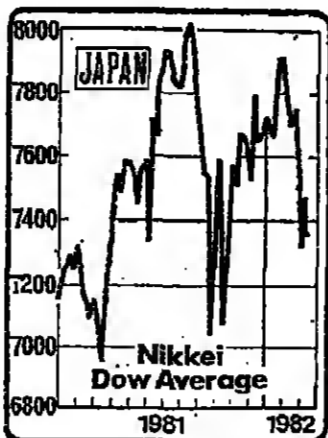
since February, of companies to issue convertible bond and new equity both overseas and in Japan. This tends to sap buying power away from the already weak market. Opec investors squeezed by lower oil prices and low demand for oil have ceased to be a prop.

There have been some snippets of encouraging, though rather thin, news to break the cacophony of doom. One example is that the Government, under pressure to abandon an austerity drive, is considering bolstering public works spending in the early part of next fiscal year (starting April), and may give in to a modest tax cut. These reports have boosted construction shares and others closely tied to the domestic economy. But the bears (including foreign investors, still smarting over losses in Tokyo last year) are feverishly dumping high-quality blue chips.

The likes of Hitachi, Matsushita, Sony, NEC, Hitachi, Nippon Steel, to name a few, are down, while brokers argue the relative merits of cements. Unconfirmed rumours fly about the Big Four Japanese brokers reducing their own trading positions, and normally upbeat stock commentators speak darkly of the absence of any uplifting signs on the horizon. "We may be reaching a bottom," Nikko Securities says.

At times such as these, Japanese brokers tend to step back and remind themselves of an old Kahulochi (Tokyo's Wall Street) saying which loosely translates: "When everyone sells, prices go up." The point is that some careful observers are in fact sifting out the opportunities which may emerge from the current news. The Tokyo market may be one of the few where pessimism, if widespread enough, is latched on to as a bullish sign. Indeed one rough equivalent of our mythical DGI, consisting of data compiled to compare the activity of short selling bears and long margin buying bulls, indicates, according to one analyst, an imminent short term selling climax, leaving the market oversold.

The Nikkei Dow Index has after all lost a hefty 8 per cent of its value since a recent peak (of ¥7,938.83) on January 30.



Moreover, the final unwinding of overbought margin positions (a hangover from last August's ill-fated rally) which helped depress prices in February is over. Margin debts now sit at a comfortable 15 per cent below their record peaks, posing no barriers to the market.

This is not to say that anyone in Tokyo believes that a rally, for the time being, is on the cards for the market as a whole. Technical considerations aside, there are simply too many problems and uncertainties weighing heavily on the market. Most important perhaps are Japan's economic fundamentals (and the closely related problem of the U.S. economy) which beg a cautious outlook for the rest of this year.

Japan's GNP, in real terms, appears to have suffered a setback—the first in over six years—in the October-December quarter last year. The Government plans to announce these figures in a week or so. That news too will no doubt help push the market closer to what one analyst aptly describes as its "pessimism peak."

Diamonds losing their sparkle...

Carla Rapoport investigates

Not quite a girl's best friend

"IF YOU want a diamond, buy a diamond. They're very nice. But don't come back here in two months and ask me to buy it back. If you want to buy and sell go down to the Stock Exchange."

Hatton Garden is full of philosophers; it's also full of good prices on diamonds these days. But the forthright diamond dealer, like the one quoted above, will tell you with little prodding that the diamond investment business is as sick as a parrot these days.

From a world-wide peak in 1979-80 of sales of around \$500m, the investment diamond market is now just a third of its former size. From its peak of \$85,000 only two years ago, the flawless "D" one carat diamond is fetching prices of between \$21,000 and \$24,000—that is when, and if, a buyer can be found.

Reports of the recovery of the gem diamond market, some nearly a year old, have yet to be borne out. According to dealers, goods worth less than \$2,000 per carat are still selling well, but almost everything else is stagnant. In Antwerp, New York and London, discounts of up to 30 per cent can be had on top-quality gems.

Just over two years ago, diamond prices were soaring on a speculative peak, aided by a worldwide rush to invest in tangible assets. When the U.S. prime rate hit 20 per cent, the bubble began to break. It has been losing air ever since.

The slump has taken its toll on nearly everyone in the trade. The largest U.S. investment diamond retailer, International Diamond Corporation, last month reported that it had filed a petition under chapter 11 of the U.S. federal bankruptcy code.

Only a week before the group filed under chapter 11, the company modified its policy to buy diamonds from its customers, due to the increased number of customers seeking cash.

Smaller companies, as well, have gone under, both in the UK and abroad and even the

grandfather of the diamond trade has been hit. Next Tuesday, De Beers Consolidated Mines will show the damage done to its profits by the slump in demand for diamonds. Market analysts predict that pre-tax profits for 1981 will take a hefty tumble, their first full-year decline in more than a decade.

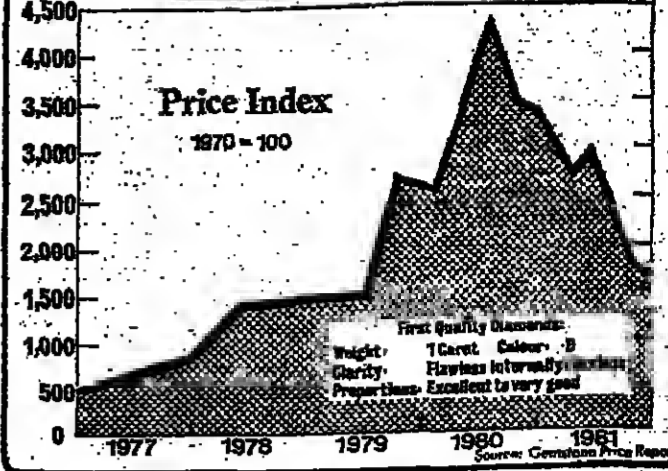
The main factor behind the fall has been the forced run-down of stocks because of high interest rates, aggravated by poor demand for larger stones. De Beers, through its Central Selling Organisation, markets all but a fifth of the world's diamond production. The company reported the sale of diamonds for 1981 had tumbled by 46 per cent in U.S. dollar terms, compared to 1980 sales. In the UK, investment diamond companies, which act as independent brokers or agents for diamond cutters, say they are squeezing through the troubles by cutting their overheads and remaining aggressive on pricing. "We're not doing 20 per cent of the business we were doing in the peak," admitted Mr Tom Butler, an official with Norstar Management in Yorkshire, the UK marketing arm of Diamond Guarantees.

Diamond Guarantees offers a "no loss" guarantee to customers, allowing them to redeem their diamond two years after buying it for at least the purchase price. Mr Butler estimated that only 3 to 4 per cent of his total sales are now seeking resale, "only in relationship to the business we're doing is not very good."

Amalgamated Diamond Brokers (ADB) has adjusted to the lag in business by offering a jewellery service for customers interested in wearing their investment.

Surprisingly, the international jewellery trade has held up well during the troubles. Although trading in the UK remains depressed, De Beers says that jewellery sales worldwide increased in value in 1981, compared to 1980. The buoyancy in jewellery accounts for the less dramatic drop in the value of smaller stones.

DIAMONDS



"People still get married, people still have mistresses, wives still find out about mistresses. These are the times that still call for diamonds," said a happily married diamond dealer who requested anonymity. Dealers remain confident that the glitter will come back to diamonds. "For those looking for a long-term investment, I mean at least five years or more, now is a good time to get a bargain," claimed Mr Peter Diggle of ADB. As the graph shows, in one-carat diamond bought in 1976 has trebled in value despite the sharp up-and-down movement of prices in between. According to Gemstone Price Report, diamonds provided a compound rate of return on 26.2 per cent in sterling terms between 1978 and 1981, compared to a 22.6 per cent return on Chinese porcelain and 16 per cent for oriental carpets. Even so, this month's issue of the trade journal soberly concludes: "We still think that \$21,000 is the bottom asking price (for a D flawless one carat) but if we're not correct, the next important resistance level is \$13,000..."

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FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

During the recent purchase of my house, my solicitors held some of my money in their account for several weeks. Am I entitled to any interest on this amount?

If the amount held was not held for more than two months and was not so large that it ought in fairness to be put on deposit for you, interest will not be chargeable. The Solicitors Accounts (Deposit Interest) Rules 1975 govern the position.

Backdating of rates

After reading your replies under "Rateable value of a house" (May 2 1981) and "Backdating of rates" (July 11 1981), in particular with regard to the water rate position, my water authority is trying to charge me for a period prior to April 1981, although I had never been invoiced by them. Could you please clarify the position?

The earlier replies may have misled you as they were concerned with the position where the property did not appear in the rating valuation list before the current rating period. In fact there is a distinction between general rates, where it is clear that a demand cannot be made in respect of a rating period when the property was not in the valuation list, and water rates where it is arguable that that is the case, but the more general view is that water rates can be demanded from the date of occupation, even if the property was not then in the valuation list.

Late claims for shares

In the period February to April 1980, I sold some shares through a broker. Shortly after this I received a small bonus issue based on these shares. I held them until January 1 1982 (with no communication of any kind) and then instructed my bank to sell all 'odds and ends'.

On January 9 I received a letter from the broker asking me to agree to transfer these shares to them. As you see, this is a period of almost 2 years, and by now the shares will have been sold. I am checking on the qualifying date of the bonus, but am writing you to

Inquire, is there a restricted period to claims of this nature? There is no prescribed limit if a claim is made for the shares themselves, but a six-year limit would apply if damages in lieu were claimed. However, the lapse of time may enable you to claim that an equitable remedy (return of the shares) should be refused—the doctrine known as "laches" requires claimants to act promptly in seeking equitable relief.

A friend's executor

In 1979 my wife became sole executor for a friend. The residue of whose estate was to be divided between her and the friend's grand-daughter. Now the grand-daughter is querying the charges of the solicitor who wound up the estate and refuses to sign a deed of discharge. What should my wife do?

Your wife cannot complete the administration without obtaining the beneficiary's receipt. She should invite the grand-daughter to agree to have the solicitor's costs reviewed by the Law Society or her undertaking to bear any costs involved (if the bill is not sufficiently reduced).

Damage that is nominal

Damage that is Nominal Some few years ago I erected

a portable garage on an unused plot in front of my house. I am making no claim on the plot and would remove the garage, but the owner has turned up and demanded £10 a week rent for four years back, which I have refused to pay. Do you think he could succeed in such a claim? What should I do? You are right to reject the £10 per week claim. The most the owner is entitled to is any damage he has actually suffered. A nominal sum, say £5 for the whole four years, should be tendered.

Double taxation agreements

On retiring from a professional partnership below the age of normal retirement to take up residence in a country in which there is a double tax agreement, I am to receive an annuity for several years. The amounts annually are within the limits set by the Revenue to be allowed as a tax deductible expense in the hands of the firm and to be treated as earned income in my hands. Can the annuity payments be liable to UK tax? We really cannot help you without knowing which country you are going to. Double taxation agreements vary significantly from country to country, as you will see from volume 5 of the British Tax Encyclopedia or volume F of Simon's Taxes.

If the particular agreement exempts partnership annuities from UK tax, then (a) you will be exempt from UK tax and (b) you will be able to ask the Inland Revenue Foreign Dividends Office to authorise the continuing partners to pay your annuity without deduction of tax, by virtue of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970, SI1970/488.

Alimony from Holland

As a person 65+ with the retirement annuity from Holland which is taxed at source making an income of £2,200, how much tax on this amount should I pay and what is the allowance for a single person please?

If you mean that your income from all sources amounts to £2,200, then your 1981/82 tax bill amounts to £114, as follows:
Total income 2,200
Less Age allowance 1,820
Income tax @ 30 per cent on £ 380 = £114

If you mean that UK tax is withheld from your Dutch alimony, then you can claim the difference between £114 and the total tax withheld in 1981/82. On the other hand, if you mean that Dutch tax is withheld from the alimony, then you can recover the whole of the tax from the Netherlands authorities, by virtue of Article 21 of the Netherlands-UK double taxation convention of November 7, 1980.

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Huntley & Palmer	40	3 weeks
Brunswick Oil	40	5 weeks
Sepectre Resources	28	6 weeks
Beric	37	7 weeks
Grants of Croydon	21	8 weeks
L. Ryan	35	5 weeks
G. M. Firth	21	9 weeks

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DOUBLE TAXATION AGREEMENTS

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Dividends from Singapore

I hold shares in a company incorporated in Singapore. The dividends are taxed locally at 40 per cent and when they pass through my bank here, they are subjected to a further 30 per cent for UK tax. Could you please advise me what I can reclaim and from whom?

The answer, unfortunately, is that you probably cannot reclaim any tax from anyone. It is unlikely to be worthwhile pursuing the question of relief from Singapore tax (under article 16(2) of the double taxation convention of December 1 1966), and no credit is allowable against your UK tax liability. The Singapore tax is merely allowed as a deduction in calculating the amount of the dividends for UK tax purposes (under section 516(1) of the Income and Corporation Taxes Act 1970).

The reason for the denial of credit for Singapore tax with

held from dividends is article 18(3) (c) of the 1968 double taxation convention: (a) Where such income is a dividend paid after April 5 1966 by a company which is resident of Singapore, the credit shall not take into account Singapore tax which is not chargeable specifically on the dividend but is tax (whether deducted from the dividend or not) chargeable in respect of the profits or income of the company paying the dividend. This prohibition has been rewritten by the 1975 protocol: (b) Where such income is a dividend paid by a company which is a resident of Singapore the credit shall only take into account such tax in respect thereof as is additional to any tax payable by the company on the profits out of which the dividend is paid and is ultimately borne by the recipient without reference to any tax so payable. Even if there were no double

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YOUR SAVINGS AND INVESTMENTS—2

Eric Short looks at loans for the self-employed

Building up your own pension

BARCLAYS BANK is cashing in on the popularity of loanback facilities on personal pension policies for the self-employed. Details of this latest scheme were unveiled this week by the bank and highlight the extent of loan facilities now available to the self-employed.

All the self-employed need to do to unlock this reservoir of cash is to take out a Personal Pension Policy with an approved life company. This provides the open sesame to very favourable loan terms.

Eighteen months ago, personal pension policies were simply a tax-efficient way for the self-employed to accumulate a tax-free cash sum at retirement and provide a pension afterwards. Vanburgh Life changed all this when it introduced the loanback concept on these contracts.

Under this scheme, the self-employed can get a loan from the life company provided they have a policy and other assets they can put up as security. The loan need not be repaid until the self-employed person retires — and the cash sum can be used for this purpose.

This concept caught the imagination of the self-employed in a big way. It has boosted sales of these plans in a way never achieved by any other marketing aid.

There are almost as many versions of the scheme as there are life companies, and some offer loans on terms that offend all accepted banking principles — automatic loans with no enquiries into the status of the borrower or purpose of the loan, automatic roll-up of interest, loans on third mortgages and so on.

The clearing banks, in their present aggressive drive to extend their lending outlets, could not ignore this potential source of new business. Their entry into the field represents lending on a more rational basis — as typified by the Barclays Scheme.

It comes in two forms, with Barclays dividing the self-employed into two categories — professional practitioners, and the rest.

The professional sector — which includes accountants, doctors and solicitors — can borrow without security apart

from life cover, amounts from £5,000 up to a maximum of 15 times the annual pension contribution, plus a percentage of premiums paid, over periods of up to 25 years. Interest is either at a fixed rate, or variable at 2 per cent above Barclay's base rate. Borrowers may pay interest only during the period of the loan and repay at retirement from their pension plan cash sum.

Barclays see this scheme as a means for the self-employed to finance their business, though it will consider applications for house purchase or home improvement or any other purpose

where interest payments qualify for tax relief. It is not meant to be a personal loan facility — which is what seems to be happening with other schemes.

Barclays is drawing up a panel of life companies that it will accept for the scheme. At present the panel consists of its own life company, Barclays Life, Legat and General and Sun Alliance. Under the plan, a professional can take out a pension plan one day — and borrow the next.

The non-professional is treated much more severely by Barclays, almost to the point of

discouragement. Although the purpose and repayment terms are the same, the loan must be fully secured. That means assets must be put up as collateral. Interest is charged at 2½ per cent above Barclay's base rate and the borrower must have paid at least £5,000 on the pension policy before application. The maximum loan is 10 times the annual premium.

Many traditional life companies, forced into offering loans, will be only too willing to link up with a clearing bank providing parallel loans rather than lending their own money.

A nip for home buyers

THE BANK of Scotland was one of the first of the clearing banks to recognise the potential market of loans to the self-employed based on their pension contracts. But it also realised very early that the self-employed were much more interested in personal loans than business loans.

In particular, the schemes offered a useful means for house purchase in circumstances when the self-employed could not get tax relief on mortgage payments — such as when buying a second home.

The Bank of Scotland has been operating its loan scheme for about six months, and it is available to all self-employed. Following a revision of terms last month it will lend up to 21 times the annual pension contribution, with a limit of 2½ times of earnings on total borrowings.

For house purchase, it is willing to lend up to 80 per cent of valuation. The rate of interest charged varies with the purpose of the loan. For house purchase on the main place of residence, the cost is base rate plus 2 per cent. For business purposes it is base rate plus 2½ per cent, while for other purposes — including the purchase of a second home — it is base rate plus 3 per cent.

The bank makes the usual enquiries into the status of the borrowers as well as the purpose of the loan. Its panel of life companies has grown to

10, varying from Save and Prosper to Standard Life.

What is the advantage of using a personal pension plan to secure a mortgage rather than repaying with a low cost endowment contract? The theory is that the self-employed get full tax relief on pension contributions, and invest in a tax free fund by using the pension money. Otherwise, they get only life assurance relief and invest in a net fund.

It has to be remembered that the self-employed can contribute only about one-third of a pension policy for cash. So one-third of pension contributions goes towards building up the cash sum used to repay the mortgage, while the rest goes towards the actual pension. Under this scheme, it is assumed that the self-employed increase a pension contribution

by an amount sufficient to provide the necessary cash sum.

The differences between the two systems are not as great as the supporters of this scheme would portray. Certainly there is little advantage to the self-employed not paying the top rate. They should ensure that figures for both types of scheme are made available.

The home loan plan avoids any problems should the borrower cease to be self-employed and have to stop making contributions on the pension contract. Such an event would mean refinancing the mortgage using a pension policy.

Nevertheless, the Bank of Scotland reports keen interest in its scheme, particularly for second homes abroad. In such a case, the mortgage is secured on the borrower's main UK residence.

One self-employed pension plan is as good as the next, right?

WRONG.

Through London Life, £35 a month can provide you with a pension of £21,450 per annum for life* — and those are figures that few other plans can match.

It's easy to assume that all insurance companies are the same, with each one offering approximately the same terms. But that's not the case at all.

London Life is different because, for a start, it never pays a single penny in commission — either to intermediaries or its own staff. What's more, London Life is a mutual company, which means that its profits are passed on to policyholders and not paid out to shareholders. Another difference that's very much to your benefit.

Naturally, keeping costs down like this helps London Life make the most of your earnings, which should be the basic aim of every good pension plan.

Not surprising, London Life features regularly among the leaders in the insurance performance tables.

And with an already wide and comprehensive range of pension plans now supplemented by a special plan combining the tax advantages of a self-employed pension annuity contract with the growth potential of a unit linked investment, we can offer our clients a better service than ever.

If you'd like to know more about that service call or write to us at the address below — we'll send you full details.

* *ie. for a man, 40, investing £50 monthly with tax relief at basic rate, taking his pension at 65 and assuming London Life's current premium, bonus and immediate annuity rates remain unchanged.*

To: Patrick Gallagher, The London Life Association Limited, Freeport, 100 Temple Street, Bristol BS1 6YJ (no stamp required)

Please send me details of London Life's pension plans for the self-employed.

Name _____

Address _____

Date of Birth _____

Tel. No. Business _____

Home _____

(If you prefer, you can call Patrick Gallagher on Freephone 9161 to discuss your requirements personally)

A better value pension plan from a different kind of company

Consider a 45-year-old self-employed man seeking a £30,000 mortgage to buy a second home, repaying the mortgage on retirement at 65.

PENSION SCHEME		£	£
Interest at 14½ per cent monthly interest payment			412.50
Monthly pension contribution £192			
one-third contribution	64.00		
life cover	22.00		
		86.00	
net at 60 per cent tax			34.40
Net monthly payment			446.90
Estimated cash sum at 65		45,000	
Estimated cash surplus		15,000	
HOME LOAN PLAN		£	£
Interest at 16 per cent monthly interest payment		400.00	
Monthly endowment premium net of tax relief		64.28	
		464.28	
Estimated cash sum at 65		30,000	
Estimated cash surplus		Nil	

Rush to the Post Office

TAXPAYERS SHOULD keep their ears open next week for news of the 23rd issue.

This National Savings certificate, which offers a return of 10.51 per cent over five years free of all taxes, is being scooped up by enthusiastic savers at a rate of £35m-£40m a week. Time may be running out, though, for those who have not yet bought their share. (The maximum holding is £5,000 per person.)

With interest rates generally easing in the last few weeks, there is a strong feeling that the 23rd issue gives too much away and could be replaced by the Treasury with a "cheaper" version. The Chancellor may well announce on Tuesday.

The Department for National Savings is under no obligation to give a formal period of notice but it usually takes about three weeks to change from one issue to the next. There is thus no need to rush to the post office on Monday.

In making his decision the Chancellor has to balance the cost to the taxpayer with his need to fund the Public Sector Borrowing Requirement (PSBR). National Savings has been asked to contribute £3.5bn towards the PSBR during 1981-1982 and by the end of January had reached £2.8bn; with two months still to go the total should be nearer £4bn.

One pointer to action on the 23rd issue may be the speed with which the Government has reduced the return on the National Savings Bank Investment Account (Invac). This came down from 15 to 14 per cent gross on Monday and will go down again (to 13½ per cent) on April 1.

An added attraction of the 23rd issue, incidentally, is the higher-than-usual return if you cash in before the end of year five. The return after year one is 9 per cent, after year two 9.29, year three 9.61, and year four 10.00.

Investment trust boost

JUST OVER 12 months ago a team from the Scottish American Investment Company arrived in London brandishing their annual report. This unusually well planned and informative document had been designed to spearhead a drive to encourage the private investor — for many years a net seller of investment trusts — to buy shares in the company.

Late last month the Scottish American was back with the same message, confident that days to be sickle. Ferguson says: "If you have people with big holdings who might sell them at any moment it is not conducive to long term investment management. Besides, if as the sort of general fund which we are you are not doing your job for private investors you might as well give up."

Tim Dickson

SCOTTISH AMERICAN			
% of share cap. held by	Jan. 1980	1981	1982
Indivs.	47.8	44.3	43.5
Trustee/Joint	5.6	5.0	4.8
Nominees	22.6	26.1	28.4
Institutions	24.0	24.6	23.1
No. of shareholders	12,395	11,670	11,596

Wobble in farmland values

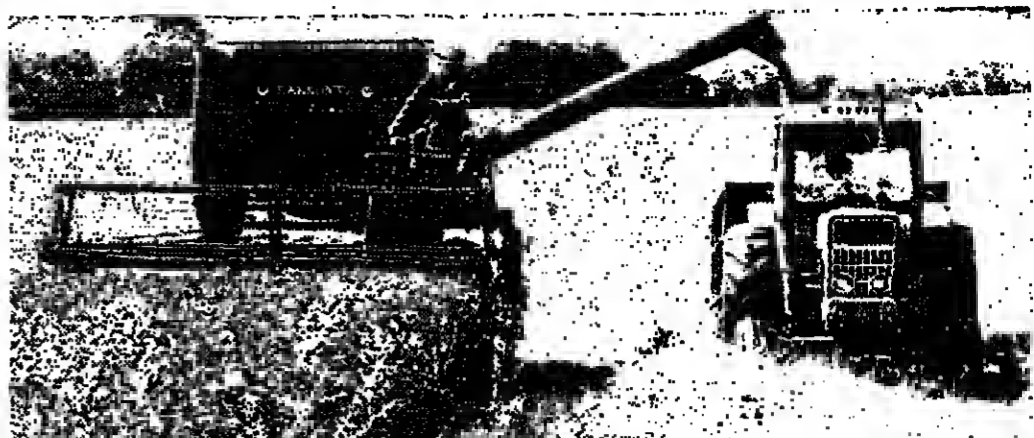
"FARMLAND... cannot now live up to the claim so often made in the past — that it has kept up with, or even outpaced, inflation... land values as a traditional hedge against inflation have failed miserably in the short term over the past two years. And they are unlikely to move off the plateau in 1982."

So says Farmland Market magazine, which adds that the average value per acre of vacant possession farmland fell 4 per cent in 1981 to £1,821. But this bald figure does not tell the whole story.

Estate agents agree that the gap between prices fetched by good quality land and land of poorer quality is widening. According to Mr Anthony Ball of Strutt and Parker, that widening "is always the sign of a bear market."

Mr Bell says that farmers' income is the major factor influencing land values. "In 1980, farm incomes fell 30 per cent in real terms. Escalating input costs were not matched by prices. But farmers' income is improving now. Vacant possession land is cheap."

Mr Richard Bilborough, chairman of agricultural consultants Hallworth, stresses the development of a two-tier market: "Top



quality commercial farms, particularly in the Eastern counties, still sell at near their all-time highs. As you go down the quality scale, prices weaken dramatically, and there are many reports of failure to sell."

Mr Martin Nathanson of City of Westminster Assurance explains "when the market was rising in 1975-1980 the bad land got carried up with the good. Farmers put land on the market when prices are high. People expected growth at an unrealistic level and this led to disappointment."

Mr Thompson of Property Growth Assurance insists that it is wrong to compare the current slump with that which occurred in 1974. "Then the market disappeared — you could buy high quality land at give-away prices. Now institutions have remained in the market."

City of Westminster Assurance and Property Growth Assurance market agriculture bonds for the individual. Last

year their performance was at the bottom end of the property fund market. In the twelve months to January 1 1982, according to "Planned Savings," City of Westminster's Farmland Fund fell 0.3 per cent, while Property Growth's Agriculture Fund rose by just 0.5 per cent.

According to Martin Nathanson of City of Westminster's Assurance "there has been a net outflow of funds in the last two years. It is now stable." Some property consultants are sceptical about this form of investment, arguing that "you should get the real thing." Martin Nathanson is amused by that suggestion: "It's not a bad idea — so long as you are a millionaire."

The pension funds are cautious. Mr Andrew Martin of the Post Office Pension Fund says: "Historically we have between 5 and 10 per cent of our property portfolio in agricultural land. At the moment

we are at 5 per cent. Investment in agricultural land hasn't performed as well as other areas of the property market. But we are not now pursuing an active selling policy. When good quality land comes up our policy is to acquire and hold."

Mr Anthony of the NCB pension fund is also hesitant. "We are not buyers at the moment, but nor are we sellers. Surveyors are saying "buy" at the moment, but I would urge caution. If you have a lot of investment tied up with a 2½ per cent yield then you are giving up a substantial current yield. We have to pay our pensions."

Mr Neil Mainwaring, partner in property consultants Smiths Gore, concedes that "pension funds are looking for higher yields than were acceptable a year ago. We have seen the shake-out, but there is no prospect of values taking on."

Dominic Lawson

GT — The road into Europe

Why Europe

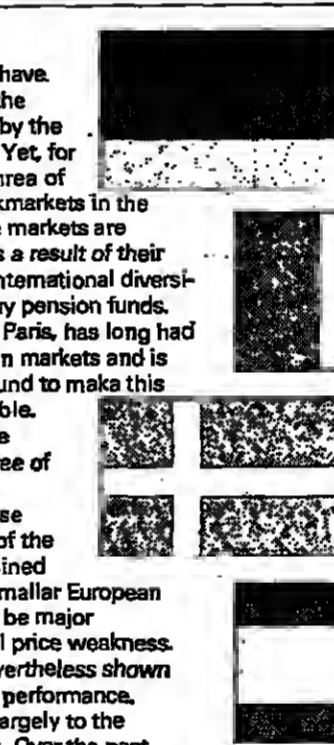
European stockmarkets have for many years remained in the background, overshadowed by the Far East and North America. Yet, for the U.K. investor, last year three of the top five performing stockmarkets in the world were European. These markets are coming into sharper focus as a result of their good performance and the international diversification requirements of many pension funds.

GT, with a research office in Paris, has long had a major presence in European markets and is now launching a European fund to make this expertise more widely available.

European economies are characterised by a high degree of interdependence. They are dominated by Germany whose GNP is 50% more than that of the U.K., equivalent to the combined economies of seven of the smaller European countries. All of them would be major beneficiaries of continued oil price weakness.

European countries have nevertheless shown wide variations in economic performance. These variations relate largely to the countries' economic policies. Over the past decade wages in many European countries have increased their proportion of the national income at the expense of the corporate sector, while the growth of the public sector and the large budget deficits incurred have put considerable strains on the capital markets. However, a number of countries are now taking urgent steps to cut budget deficits and improve corporate profits, and in some cases introducing tax incentives to encourage greater stockmarket participation by private investors. Where investor confidence has been severely eroded, such marginal shifts in official policy can have a disproportionate impact on the stockmarket and provide major investment opportunities.

In the more stable economies, such as Germany, stockmarket performance is largely a function of the economy's cyclical development and relatively unexciting investment returns are compensated by a higher degree of predictability. However, the gains from an appreciating currency, such as the Deutschmark, can be a significant proportion of the total investment return in European stocks.



Facts about GT Unit Managers

Part of the GT Management Group, which manages over £850 million, GT Unit Managers looks after over £60 million of unit trust funds and has an outstanding investment record.

GT Unit Trusts consistently rank among the top performers and, in the past four years, GT has twice achieved the distinction of managing the best performing Unit Trust in the Country.

General Information

Trustee: Lloyds Bank Plc
71 Lombard Street, London EC3P 3BS. The Trust is authorised by the Department of Trade and qualifies as a "wider range" investment under the Trustee Investment Act, 1961. Units will be issued at an initial offer price of 100p, (this price shall hold for a period of 7 days from the launch date, i.e. until the 15th March 1982.) The minimum initial holding is £500. Thereafter purchases can be made in multiples of 10 units. The estimated initial gross yield is 4% per annum. Applications will be acknowledged and certificates will be issued within six weeks. An initial charge of 5% is included in the offer price. An annual charge of 1%+VAT of the capital value of the Fund is deducted from the gross income of the Fund to defray management expenses. Subject to this annual charge, and net of tax, income is allocated to unitholders each April and October. (First payment in response to this advertisement will be 21st October 1982.) Units may be sold back at any time at the bid price ruling on receipt of your renounced certificates and payment will normally be made in seven days. Prices of units and yields are quoted in the National Press. Commission of 1% is paid to recognised agents out of initial charge. The Managers are G.T. Unit Managers Ltd, 16 Finsbury Circus, London EC2. Registered in London No. 903827.

Investment Philosophy

The fund's aim is capital growth. It will maintain a base holding of core stocks while at the same time capitalising on any broad based cyclical upswing. Flexibility will be a prime consideration and there will be continuing emphasis on identifying small growth situations. However, investment in Europe remains largely cyclical in nature; therefore recovery situations and the associated market timing must be of considerable importance.

What the papers say

Sunday Telegraph: "GT Group, one of the leading unit trust staples in recent years..."

The Standard: "Those shrewd people who run the GT Unit Trust Stable..."

Daily Express: "GT, one of the most successful unit trust groups in the country..."

The Observer: "GT has been one of the unit trust world's quiet successes... growth (of the funds under its management) has been spectacular."

The Guardian: "The performance of the GT investment management group, for example, has been quite remarkable."

GT Unit Trusts	1 Year	2 Years	4 Years	8 Years
Capital Fund	+ 8.8	+22.2	+106.8	+164.0
Far East and General Fund	+ 6.2	+69.9	—	—
Income Fund	+13.2	+88.7	+ 69.3	+171.9
International Fund	+10.3	+46.6	+168.9	—
Japan and General Fund	+27.5	+81.3	+148.8	+220.8
Technology & Growth Fund (Launched April 1981)				
US and General Fund	+13.0	+41.0	+ 78.2	+ 81.8
Pension Exempt Fund	+13.0	+46.9	+149.0	—

Percentage gain or loss over various periods to 1st February 1982 net income reinvested (gross). Figures shown to 1st 2 decimal places.

per annum. Applications will be acknowledged and certificates will be issued within six weeks. An initial charge of 5% is included in the offer price. An annual charge of 1%+VAT of the capital value of the Fund is deducted from the gross income of the Fund to defray management expenses. Subject to this annual charge, and net of tax, income is allocated to unitholders each April and October. (First payment in response to this advertisement will be 21st October 1982.) Units may be sold back at any time at the bid price ruling on receipt of your renounced certificates and payment will normally be made in seven days. Prices of units and yields are quoted in the National Press. Commission of 1% is paid to recognised agents out of initial charge. The Managers are G.T. Unit Managers Ltd, 16 Finsbury Circus, London EC2. Registered in London No. 903827.

Unit trusts are a long-term investment. They are not suitable for money which may be needed at short notice. The price of units, and the income from them, may go down as well as up. The Managers and the Trustees intend, subject to detailed approval by the Department of Trade, to execute a Supplemental Trust Deed which would enable the Fund both to purchase and write traded call options. Members of the Unit Trust Association.

G.T. EUROPEAN FUND
G.T. Unit Managers Ltd
Park House, 16 Finsbury Circus, London EC2M 7DJ.
Tel: 01-628 8131

I/We enclose a cheque payable to G.T. Unit Managers Ltd. An account cannot be opened in the name of a minor but applications may be made by an adult and the account designated, i.e. 'A', 'B' or with the minor's initials.

Signature _____
(In the case of joint applications all must sign and provide names and addresses on a separate sheet.)

Full Christian Names _____
Block Letters Please (Please state Mr., Mrs., Miss or Title)

Surname _____

Address _____

I would like information on G.T.'s other unit trusts
GT Single Premium Pension Plan
GT Single Premium Premium Bond

FT 8/3

LEISURE

My way in the Cotswolds

TRAVEL

SILVIE NICKELS

THE HOUNDS WERE in the meadows and woods above Winchcombe as we ambled gently along a stretch of the Cotswold Way one day last week. We glimpsed the red and black of the riders, heard the distant hum of the horn and yelping of hounds and, despite my innate disapproval of the whole business, the sight and sound were undeniably stirring.



The Lygon Arms, Broadway

trail devised by the Ramblers' Association in conjunction with country and local bodies. Broadly, it follows the steep western scarp of the hills rising to 1,000 feet, dipping north and down to 97 miles from Chipping Camden in the north to Bath in the south. Some of it is along roads, the rest relies on a complex system of footpaths and bridleways all exceptionally well marked and easy to follow by even the least practised walker.

and mutual advisory purposes under the umbrella of Country to Sudeley Castle, a magnificent 15th-17th century pile, despite being knocked about a bit by Cromwell's forces. Katherine Parr, having survived Henry VIII, ended her days here and is buried in the little church on the estate. Sudeley operates a Kitchen Shop service supplemented by splendid oven-ready meals prepared by two ladies in Winchcombe, including Lamb Rosemary and Country Pork Casserole (each £1.50) or Beef à la Bourguignonne (£2.10).

A couple of miles down the road are the cottages belonging to Sudeley Castle, a magnificent 15th-17th century pile, despite being knocked about a bit by Cromwell's forces. Katherine Parr, having survived Henry VIII, ended her days here and is buried in the little church on the estate. Sudeley operates a Kitchen Shop service supplemented by splendid oven-ready meals prepared by two ladies in Winchcombe, including Lamb Rosemary and Country Pork Casserole (each £1.50) or Beef à la Bourguignonne (£2.10).

Sales switch as Geneva opens

MOTURING

STUART MARSHALL

BRITAIN, with 17 makes, has a wider variety on display than any other nation at the Geneva show which opened on Thursday. But our share of this affluent and unrestricted market slipped by 25 per cent last year.

Japan gained most at other nations' expense, increasing its share by nearly 25 per cent from 64,500 to 78,300 units, or one-quarter of the total market. To put these figures into perspective, a minor manufacturer like Sahara alone sold 9,650 cars to the Swiss last year compared with 3,090 British cars of all makes.

Germany strengthened its hold, increasing sales from 108,000 in 1980 to nearly 114,000 last year. French sales declined slightly from 54,000 to 48,000 and Italy strengthened its penetration from 31,500 to 34,500.

U.S. manufacturers' sales collapsed from 6,500 to 4,000, and their situation must deteriorate in 1982 when new anti-pollution regulations will make Switzerland into Europe's California. The laws from next summer will insist that each gallon of petrol causes less contamination of the environment even though fuel consumptions will, according to the car manufacturers, increase by about 10 per cent.



For the cynos in a hurry—the 135 mph Bentley Mulsanne Turbo, which had its world debut at Geneva this week

National Exhibition Centre at Birmingham or the vast complex at Frankfurt. The car is the Peugeot 505 estate, which goes on sale in Britain in a few weeks' time at prices between £7,200 and £9,100 and is clearly destined to become the toast of the gymkhana set. It is enormous, civilised and economical.

Canada, Japan and Australia. It is the first Bentley with a turbo-charger. Rolls-Royce still won't declare its horsepower, murmuring "more than enough". Its painted, not plated, radiator shell and a discreet turbo badge on the boot are the only external giveaways.

Also turbocharged, but for economy, not tyre-smoking theatrics, are the latest diesel Volkswagens Golf and Audi 80. Official tests show them to be amazingly fuel miserly—the Golf does 63 mpg at a steady 56 mph and 43 mpg in the urban cycle.

Keen pricing on BL's Ambassador

THE AMBASSADOR hatchback, which BL announced yesterday, is a real improvement on the classic in a number of important respects. It looks much sleeker, with a family resemblance to the Metro in its slightly droopy nose. Inside, the fascia is cleaner. And at the back, the high tailgate (which the Princess really should have had from the outset) opens on a load floor almost four feet wide and extending to an inch under six feet with the rear seat folded.

have firmed up the Hydras suspension a little. The Ambassador's ride is outstandingly good. It tramples bad roads flat and doesn't allow much roll to develop on fast corners. Power steering, an extra on the cheaper models, works so well I could not make up my mind whether the 1.7 litre car I first drove had it or not; it just felt sharp and almost effortless.

Ambassador is an exceptionally nice car to be a rear passenger in. I would like to be as complimentary about the engine and transmission but in truth, the Ambassador is little better than the Princess. The 1.7 litre is a cheerful hard worker but needs a fair amount of gear shifting, and the change is as gritty as ever. There is more transmission noise than there should be in a car aimed at executives.

65 mph when hurrying. But at a 70 mph cruise there was enough mechanical and wind noise (from the mirrors and aerial) plus some tyre rumble to demand higher volume on the radio. Pricing is very keen, starting at £5,105 for the 1700L, which is the same as the Cortina 1600L four door. The 2000 HL is £6,018, the twin carburettor HLS £6,917 and the Vanden Plas £7,765, which makes it dearer than the cheapest version of the new Rovers. The six-cylinder engine has been dropped from the Ambassador.

The montbretia clan

GARDENING

ARTHUR HELLYER

FEW NURSERYMEN have enriched gardens with so many new and good plants as Victor Lemoine and his son Emile. From their nursery at Nancy in France over a period of something like 80 years starting in the 1860s they produced a constant succession of fine hybrids and selections of many plants including most notably, filices, mock oranges (philadelphus) and peonies. The montbretia in its original form was not their happy invention being always too lusty and invasive to please any gardeners sufficiently energetic to keep it under control or who were so lazy that they were content to let it take over.

Victor Lemoine made the montbretia by crossing two species which in his day were classified in separate genera and were called Tritonia aurea and Montbretia potzii. Today they are united in the same genus, now known as crocosmia, and their names are Crocosmia aurea and C. potzii. Both aurea and C. potzii in southern Africa, and neither is fully hardy in Britain nor unduly rampant even under the most favourable conditions.

Victor Lemoine can have had no idea that from such parents he would obtain a plant not only fully hardy but also so vigorous and indestructible that even a single corn of rhizome even if carelessly sown to the compost heap could in a few years produce massive clumps so firmly rooted that they would be difficult to eradicate.

Yet this monster is capable of producing offspring which are far superior in flower quality and so completely lack its irrogal constitution that they must be fussed over if they are to be kept alive. Lemoine called his plant Montbretia crocosmiiflora but this was long ago discarded by botanists who called it, rather confusingly, Crocosmia crocosmiiflora.

They also had a much greater colour range. There were several more and at first they sold freely but we soon found out for ourselves even if disappointed customers had not informed us, that these new varieties completely lacked the constitution of the original montbretia. To keep them alive we had to dig them up every autumn, replant them in frames, keep the soil just moist during the winter and plant them outdoors again the following spring.

Since those rather distant days other gardeners have made attempts to improve the montbretia. Most successful to date is one named Emily McKenzie, said to have been raised in Northumberland. It is not unlike His Majesty as I remember it, petals broad and widely spread, in colour orange splashed with reddish bronze. I have had it now for several years, lost it in some places but retained it in others.

However all this is the beginning rather than the end of the story. Something like 20 years ago a new crocosmia arrived from South Africa, a species named Crocosmia masonorum. In habit it was more like a near relation which we had long known as Antholyza paniculata but is now called Curtus and has broadly sword shaped leaves, somewhat pleated and held stiffly erect. Its 3 ft flower stems curl over at the top to display in the most effective way a tapered cluster of upward facing tangerine flowers.

TRAVEL

Advertisement for JAT Yugoslav Airlines. Text: 'You'll feel at home with JAT. Because JAT are at home themselves, in the country that they know better than anyone. The national airline of Yugoslavia flies direct from London Heathrow, Birmingham and Manchester to Belgrade, Dubrovnik, Ljubljana, Pula, Split, Zagreb, and then internally to 16 Yugoslavian airports.'

Advertisement for Magic of Italy. Text: 'The Magic of Family run Palazzos or Village Hotels. In Italy, in medieval Ravenna is a little 12th Century Palazzo. Luxuriously comfortable the Hotel Palazzo has been run by the family Vuilliamier since 1878. Praised by famous writers, and film stars like Humphrey Bogart, the pure magic of Italy from 1229, further South in the village of Santa Maria di Castellabate the Piccirilli run the Hotel Sonia by the beach. A truly family atmosphere. The pure Magic of Italy from our fascinating Italian FREE colour brochures of our fascinating Italian towns and villas, from ABTA agents or call the specialists. Magic of Italy, Dept FT, Russell Chambers, Covent Garden, London, WC2E - Tel: 01-290 5988 (24-hour brochure service) ABTA - ATOL 4888'

Advertisement for The Sun Shines all the time in the West Indies. Text: 'We have a selection of 100 top-quality holiday homes that we have personally inspected, based in Antigua and St. Vincent. We have coloured photographs of the boats and crews and will be happy to give advice and arrange travel. Prices from £20 per head per week including airfare, transfers, CAMPER & NICHOLSON YACHT AGENCY, 16 Bedford Square, London, W1P 9DQ. Tel: 01-222 1641 or SW1P 9DQ. Tel: 01-222 1641 or SW1P 9DQ. Tel: 01-222 1641 or SW1P 9DQ.'

Advertisement for The Romance of the Metro. Text: 'The Romance of the Metro - Lyn Medford's new book. For a free copy of this original and fascinating essay on the Paris metro, together with our brochures on individual inclusive holidays to these beautiful cities, write or phone: Time Out Ltd, 25 Datchet Close, London SW17 7JH. Tel: 01-222 8870'

Advertisement for Classified Advertisement Rates. Table with columns for Commercial & Industrial, Residential, Personal, Motor Cars, Hotels & Taverns, Book Publishers. Rates range from £8.00 to £25.00 per column cm.

Advertisement for Personal. Text: 'MUSEUMS & GALLERIES GIFTS - Free Colour Catalogue, 24, St. Charles St., London, W1G.'

MOTOR CARS

This man can give you a price on new Cortinas that is below comparison!

How can Paul Hancock of Tricentrol Luton offer you a fleet of new Cortinas — at a price below comparison... for a car that is above comparison?

To share our secret, ring him first thing on Monday morning. That's the way to make a really fast start on getting your best-ever fleet bargain.

Tricentrol — big in the North Sea and big in car fleet, too! Ford gives you more



Advertisement for Tricentrol Cars (Luton) Limited. Text: 'Tricentrol CARS (LUTON) LIMITED 326-340 DUNSTABLE ROAD LUTON 31133'

Advertisement for Schiller International University. Text: 'SCHILLER International University (American) London, Paris, Madrid, Heidelberg. Business Admin. Programme: ABA/BA/BSA/MA/MBA/MM (Full time & evening) AA/BA/MBA Arts, Languages, Law, Public Administration, Economics, Physics, etc. College Preparatory Programme: Inter-campus & US transfer. Schiller International University 51 Waterloo Road, London SE1 Telephone: 01-222 1372'

Advertisement for Porsche Personal Imports. Text: 'PORSCHES PERSONAL IMPORTS. LARGE DISCOUNTS. Tel: 0457 (085) 72606. Tel: 0347 addition G.T.G.T. CHANDGATE LTD.'

Advertisement for VW Golf GTI. Text: 'VW GOLF GTI 3/80 LHD. Black tinted windows, stereo, 34,000 km, mint-condition. £3,000 o.n.o. Germany 06039/1629 (evenings only) MOTOR CAR ADVERTISING APPEARS EVERY WEDNESDAY AND SATURDAY'

BOOKS

Behind Berry

BY ANTHONY CURTIS

Dorford Yates, A Biography by A. J. Smithers...

There must be quite a few people around who still read Dorford Yates...

His lifeline of literary labour must still be producing quite a pleasant income for someone...

The demand today is a remarkable achievement when you consider it is more than 20 years since Dorford Yates...

William Mercer to call him by his birth-name died in 1960 aged 75. He was writing more or less until the end...

But it is only one of many puzzling aspects to the life of William Mercer...

wants to discover the cost in human terms of writing all those beautiful, insouciant, immaculate escapist novels...

Actually they do have more points here than usual, because part of the fascination of Mercer lies in seeing how strongly the fantasy fictional life took priority over the real one...

There seems to have been one aberrant moment when Mercer actually turned into a Dorford Yates character himself...

did, it is true, switch to writing "bloods" from time to time, but although it increased his readership and his income it did not offer any respite...

The seeds of the Company were sown at Harrow and at Oxford where he became president of the recently formed OUDS...

Mr Smithers was also trained as a lawyer, becoming a regular soldier before turning author...



One of the illustrations for Dorford Yates' most famous book 'Berry & Co' (1921)...

and Mercer seems to me without parallel. To take one more instance, his second wife Elizabeth was disabled...

ceeded to design himself the ivory tower of his dreams (see The House That Berry Built)...

Hary-O

BY PETER QUENELL

Piety and Wit: A Biography of Harriet Countess Granville 1785-1862

by Betty Askwith Collins, £14.50, 207 pages

During the recent exhibition of Treasures from Chatsworth, the most popular picture, a custodian told me...

Certainly, many of her associates thought her wicked; for besides being the 5th Duke of Devonshire's mistress...

Harriet Cavendish - by the Devonshire House estate, who had a special draw of their own...

Her character was a blend of Piety and Wit. Betty Askwith's biography, the first yet published...

County Hall

BY ROBIN PAULEY

The Cutler Files by Horace Cutler Weidenfeld and Nicolson, £8.95, 184 pages

The Government of London is in the worst state of crisis since the capital has known them...

So the timing of the review of the work of the GLC by Sir Horace Cutler, a man involved in local government for 30 years...

Except for a persistent and commendable onslaught against bureaucracy, The Cutler Files is no more than a personal account...

To describe the running of London in the depressed, pre-war years, the tackling of housing deprivation on a frightening scale...

Kids shipped

BY SARAH PRESTON

Children of the Empire by Gillian Wagner Weidenfeld and Nicolson, £10.95, 284 pages

After uncovering in her last book the complex personality of Dr Barnardo...

Lady Wagner shows how two redoubtable ladies, Annie Mac-

Fiction Family marathons

BY ISABEL QUIGLY

The Survivors by Elaine Feinstein, Hutchinson, £7.95, 317 pages

Unrepentant Women by Judith Burnley, Heinemann, £8.95, 216 pages

Flanagan's Run by Tom McNab, Hodder and Stoughton, £7.95, 473 pages

Level Five by Duff Hart-Davis, Cape, £6.95, 238 pages

Elaine Feinstein's The Survivors takes two intermarried Jewish clans...

This might be just another family chronicle, and anyone looking back at a couple of generations in his own family...

The past breaks through the action, at every stage: Banquo's

ghost, and, like Banquo, a pointer to the future as well. It isn't just a case of bringing out the odd great-uncle or the odd Russian...

Technically criticised by comparison is Judith Burnley's Unrepentant Women, a mixture of fact and fiction...

The interviewer is Sarah, heroine of The Wife, Judith Burnley's first novel. Seven years on she is the mother of a son (not her husband's) rather happily conceived in the earlier book...

The plot is fairly preposterous

her mother and mother-in-law. "We're the first lot of women who've tried to do everything ourselves, without servants..."

because I imagine it was felt the reader wouldn't keep jogging along without incident. Such amazing things happen at every lap...

Information is what you want from fiction. Tom McNab's Flanagan's Run is full of it. The first novel by a lifelong athlete and athletics coach...

less journalistic approach to some parts of the bullion market about which the participants in that market like to keep quiet...

Getting to grips with gold

BY DAVID MARSH

The New World of Gold by Timothy Greco, Weidenfeld and Nicolson, £7.95, 260 pages

Among the factors dominating the international gold market, greed, fear and mystery come out at the top of the list...

The sections on gold's history - largely reproduced from Mr Green's earlier books on the subject - are first rate...

Africans and Russians - which have a strong vested interest in the metal.

Where else would you find, for instance, a vocabulary of the special mining Esperanto used to communicate instructions to South African miners...

Mr Green has also witnessed the seamy side of the gold business - a long way from the plush banking-parlours of Europe...

progressively more involved with the gold industry through his association with Consolidated Gold Fields...

Some basic economic premises also seem open to question. Of course, one now has the wisdom of hindsight...

less journalistic approach to some parts of the bullion market about which the participants in that market like to keep quiet...

Although all in all Mr Green has written a valuable book for the non-specialist gold observer...

BOOKS OF THE MONTH

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This new dictionary has been compiled for all those having their own computers...

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The third edition of this popular CASEBOOK has been revised to include the Companies Act 1980...

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This fourth edition incorporates the many new developments in management accounting...

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The new edition of this HANDBOOK takes account of the Companies Act 1980...

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Cambridge Economic Handbooks published January 1982

Money: In Equilibrium by Douglas Gale

The author investigates the central issues in the development of contemporary monetary theory...

Macdonald & Evans Ltd, £15.00

A Guide to World Money and Capital Markets by L. J. Kemp

Contains detailed descriptions of how such of the leading money and capital markets work...

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A lucid, succinct and well-documented review of recent developments including the testing, analysis, evaluation and application of treatments and their environmental effects...

The Textile Institute, £14.00

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All matters likely to arise in dealing with company taxation are explained lucidly and authoritatively...

Macdonald & Evans Ltd, £30.00

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An investigation into Britain's business problems today and the future outlook...

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International Labour Office, £3.75

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HOW TO SPEND IT

by Feona McEwan



Who says you can't be distinguished in spectacles? Some famous faces that prove you can... from left, Yoko Ono, the artist, television person affides Kenneth Kendall and Janet Street-Porter



What a spectacle: zany new Butterfly frame from Anglo American popularity used for sunglasses but can, believe it or not, take prescription lenses. Available only from opticians in the colour of your choice.



Award winning actor, Alan Howard, and film actress Sophia Loren

As spectacles continue to make headlines, we take a look at what's happening before our very eyes...

I DON'T know about anyone else but I have had some trouble in focusing lately. For once it was nothing to do with the shortcomings of my own faulty pair of focals. More the result of taking a closer peer into the hot spring of British optics, a subject which has been raising much steam in recent months. It is a knotty issue and trying to unravel the complex strands is an eye-opening task: hence the focusing problem.

Though I don't intend to embark on the debate over prices and monopolies here, it seems that with some 25m of us wearing spectacles or lenses (that is about two people in every five) there are certain aspects that we as consumers should know about.

Few people would disagree that our optical profession is second to none in training, expertise, service and which, in line with the 1958 Opticians' Act prohibiting advertising of any sort, is scrupulously ethical. It is possibly because of the industry's corporate composure that we are not always fully aware of the services offered. Signs of a relaxing of the rules came at the end of last year when opticians were given the go-ahead to display price lists in their windows. Unlike frame manufacturers who can boast about their wares in public, opticians, who in effect retail the goods, cannot.

This whole area of opticians' prices is currently under review by the government: on the one hand the Office of Fair Trading is looking into publicity procedures while on the other, news came this week of an inquiry to be announced into opticians' services within the NHS.



SIGHT TEST: Unlike many Western countries to which Britain is compared, eye examinations by qualified practitioners are available totally free to the patient once a year under the National Health Service. It is a good idea to have a check up every two years or so though the signs are that most non-spectacle wearers tend to go about once every eight years. In this we lag behind many European countries and the U.S. A worrying

figure when you consider you can pass your driving test (and eye test too) aged 17 and not be officially required to have another test for the next 40 years or more. It is, however, illegal to drive with vision below required MoT standard.

Surveys have been carried out by the optical industry on drivers that indicate there is a significant percentage who should not be on the roads without spectacles.

Last year, to muffled cries of commercialism from the profession, Debenhams introduced an optician's department into its leading stores around the country, the first to do so. In nine branches you can have a sight test and spectacles made up in about an hour as there are lens processors on the premises. There are now 21 such departments from Dundee down to Plymouth, Swansea across to Norwich, with a possible further 20 opening up this year.

FRAMES: The high cost of many private frames is a prickly issue. The fact is there is no manufacturer's recommended retail price, as there is with sunglasses, and prices can and do vary considerably around the country. Opticians for their part have been unhappy about this, blaming the nominal fees they receive from the Department of Health and Social Security (about £4.50 per eye test, and a £4.20 dispensing fee) as a prime factor in pushing up private charges; a case of one sector subsidising the other in effect.

Now, however, the boot is on the other foot. An increase in the NHS fees to opticians has just been announced to come into effect on April 1 with backdating to 1978 which is when fees were last reviewed.



It remains to be seen if, as the opticians have been intimating, this adjustment of the NHS sector will in fact be reflected in the private. If so, we could be in for some pleasant surprises and the optical profession will be able to quieten some of its critics.

Time will tell. Meanwhile let us look at the choice of optical frames in shape, colour and material is endless enough to make selection a choosey business. Cost for most of us will be the determining factor, so take your time and shop around (now prices of frames can be seen in most windows), ask for recommendations from friends, as you would before choosing a doctor or dentist, in order to find the optician for you. Then when you do select a qualified practitioner, follow his advice—you may find your particular prescription for instance will only fit certain frames. There is, however, no obligation to buy your spectacles from the optician who performs the eye test. You are entitled to take your prescription to another dispensing optician if you wish.

If the purse is feeling light, or perhaps you're after a second emergency pair of frames like this writer, look at the NHS frames

first which start at £7.85, inclusive of lenses. There are currently three basic shapes with varying legs and colours (shown here). My gold-rim, number 422, cost £15.56 including lenses. For private frames, which can cost well into three figures, the mean average cost is said to be about £35 including lenses, which nobody is pretending is exactly cheap.

Many of these are what the industry calls fashion frames, which nowadays go a long way to making a vanity out of a necessity. Indeed so beautifying are some of the bright coloured plastics, especially for young faces, it's tempting to know whether to take to hidden contact lenses or be blatantly short/long sighted in some of the flattering designs around. If your local optician doesn't stock a range that appeals, you can always try asking him to get in a catalogue of frames of your choice. Since the 1950s when frame makers first woke up to the fact that people cared desperately about what they looked like in their "visual aids," shapes have become steadily more fetching. In the 1960s specs took on new style acquiring their own glamour and brand of continental chic when some of the world's most admired women—remember Jackie Kennedy, Sophia Loren, Princess Grace of Monaco—centured bespectacled into the public gaze.

But, as with everything else, as one spec spotter told me, "if you're into fashion, you're into money."

So if you want the very latest handmade design in the latest colour you must be prepared to pay for it. "You don't buy a Zandra Rhodes dress," she went on, "and then scream at the cost."

The golden rule is to ask about prices—though of course opticians can't tell you the total package price with lens included until you've had the eye test. According to the Association of Dispensing Opticians most public complaints come from people who have over-committed themselves and then balk when presented with the bill. Price is made up of three main factors—

- Price of lens (plus extras such as tints);
 - Price of frame;
 - Any professional charges, if made.
- Many opticians will accept credit cards.



FASHION FRAMES: Lightweight frames are popular in pastel shades, especially soft browns, always the number one colour, according to Oliver Goldsmith, whose family has been manufacturing frames for over half a century. There are no obvious trends, he says "except for a general move towards smaller frames, bringing them back to a more comfortable size; no more the extreme shapes of the 1960s. People are buying something to last now. While he suggests most users ought to have a couple of pairs, one in case of breakage, he finds all too often people possess just half a pair in working order. If you

have trouble finding Goldsmith frames contact Oliver Goldsmith at 18 Station Close, Potters Bar Herts. (tel. Potters Bar 43335) for a free catalogue.

For those of a more extrovert nature, there are the blatant "look-at-me" frames which over recent months have brought colour to the cheeks of many younger faces in a most appealing manner. "Not for people not wearing them not to be noticed" as one manufacturer put it.

The Anglo American Optical Company, which has been responsible for decorating Edna Everage's famous visage, reports strong interest in its range of coloured frames; some 30 shades are available from black and white through to poppy red, the most popular with both men and women. It also does an intriguing new range of shell colours, like sand and pearl with a transparent effect. Available, or to order, from most opticians. Or you can contact the company (tel. 01-435 3811) for further details.



SUNGLASS FRAMES: It is sometimes possible to have quality sunglasses frames (those made to high optical standards) fitted with prescription lenses but, and it is a big BUT, this depends on your individual prescription and the quality of the frame. Take your optician's advice, for it can only be done at his discretion.

Some of the most eye-catching girls I've come across in specs admit to wearing sunglasses frames—the shapes are often more fashionable they say—with optical lenses fitted. But do remember, the cheaper the sunglasses frame the less likely they are to take optical lenses. You also have to consider the drawback that if the sunglasses frame breaks you are unlikely to find exactly the same shape again unlike prescription frames.

LENSES: Again, the choice of refinements, in most cases, is yours, so check first on prices.

- Plastic—wonderfully light but tends to scratch easily. Not available for adults on NHS.
- Glass—main problem is they can shatter more easily. Choice of safety toughened glass which like windscreens breaks into safety lumps and also laminated glass. Interestingly, in some states of the U.S., drivers are not allowed to drive with untoughened glass in their frames.

- Tints—any prescription lens can be tinted in a large range of shades from pinks, through blues to browns. If you have a fixed tint you must also have a clear pair for night driving.
- Photochromic—light sensitive lens that darkens in bright sunlight and lightens in poor light. Not cheap.
- Anti-reflective—improves the transmission of light through the lens and cuts down the ringed appearance of severely short-sighted people.

Frames illustrated throughout the feature are from the adult range available on the National Health Service, from £2.05.



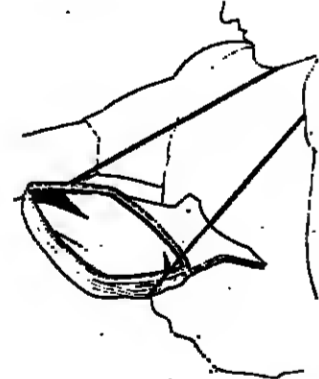
Shades of glamour: new look sunglasses from Christian Dior, style 2179, about £43 from major department stores



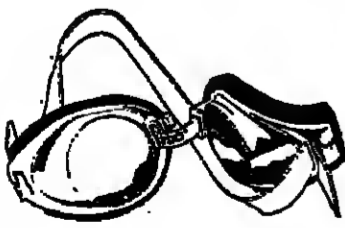
A touch of glass: top, model 132 by Angelo American is a runaway success for men and women, available in 20 colours from most opticians. Bottom, optical illusion of the future, this space age frame was a prizewinner in a recent competition by the frame makers Optyl. Above right, spectacle frame, model 600170 by Dunhill, £38 from Dunhill, 37 Myrtle Street, London W1 and at the Dunhill shop in Harrods



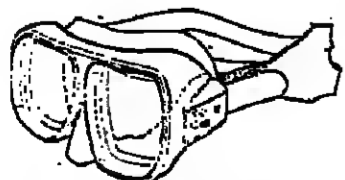
Making eyes



VISUAL AIDS: Easy-view magnifier enables those with older sight to read or do close work and keep their hands free. £3.95 larger branches of Boots.



Speedo goggles enable you to see underwater despite any chemicals, £3.95 plus £1 p+p from Olympic Way, Harrods, Knightsbridge, SW1.



Cressi-Sub mask for sub-aqua enthusiasts, £11.50 plus £1 p+p, can apparently be fitted with prescription lenses. Details from Olympic Way at Harrods.

Drawings by Paul Desmond

FOR SPECTACLE WEARERS Barbara Daly, the expert make-up artist who prepared the Princess of Wales on her wedding day comments: "There are no hard and fast rules. If you are very short sighted and can't see to make-up, invest in a good magnifying mirror to avoid making mistakes. In my view very lurid colours don't look good through glasses. Lots of people have trouble with mascara—use one that is at least waterproof to stop smudging as the lashes hit the lenses. Look after eyebrows especially if glasses are below the browline: tidy up stragglers. You need mouth colour, too, to balance the face.

FOR CONTACT LENS USERS Insert the lenses before applying and before removing make-up. Avoid mascaras that are fibrous, lash building or proteinised as they flake into the eye. Also avoid very dusty eye shadows or very greasy eye make-up removers and shadows.

Anne Silk writing in *Ophthalmic Optician* recently stresses the need for exceptional care with cosmetics by soft lens users. Contamination from cosmetics she says is a very real problem which can lead to irritation, possible allergic response and lens rejection. Infection can lurk in cosmetic cases and she recommends non-refillable products. And passing round eye make-up among friends is certainly to be avoided.

MAKE-UP Recommended make-up for lens users are the hypoallergenic ranges, ROC, Clinique (widely available at leading department stores and chemists) and Optique which is stocked by Harrods (optical department); Selfridges (pharmacy); Ross Chemists, 3 York Place, Brighton; Lewis's, Manchester; Gordon Drummond Chemists in Scotland. If you have trouble tracking it down contact Cosmetics Optique, 6 Burnside Street, London, SW3 (Tel. 01-352 6445).



CHILDREN should have their eyes examined as early as possible. There are special pre-school tests available and for children under 16 years of age or still in full-time school, frames and lenses are free. If you choose a frame within the NHS children's range, there are three basic shapes including the nickel Winsor model C223 (shown above top) which has tortoise-shell look "xylo-rims." Most opticians also stock a range of private frames for children such as model 1188 by Vismaline (directly above). Contact lenses may be fitted in some children as soon as they are responsible enough to handle them. Indeed recent research by Janet Stone at the London Refraction Hospital indicates that short-sighted children fitted with hard lenses show hardly any progress in their myopia compared with spectacle wearers of the same age though the reasons are not yet understood.

Lowdown on lenses

There are basically three types of contact lens and your practitioner will advise on the best for you.

- Soft lenses for daily wear. These were developed in the early 1970s, are made of a plastic polymer and have the advantages of being very thin, extremely comfy, they stay in the eye more easily than hard lenses and there's no lengthy adaptation period so they can be alternated with spectacles more easily than hard ones, thus very suitable for half-hearted wearers such as those who want them for sport only. The useful lifespan depending on the user's personal habits (whether you smoke or not, how carefully you handle the lens) is about two years; the minimum for those with sharp nails, two minutes. They must not be allowed to dry out, and if they do and you handle them, they can be damaged. It is, however, relatively easy to lose soft lens tolerance through dirt building up on the surface and users are advised to have six-monthly check-ups.

- Soft lenses for extended wear. These you even sleep in, but though they may sound the ultimate lens there are a host of problems which have made them unpopular in this country (one of these is the long-term monitoring required).

- Hard lenses, made of Perspex. These were developed after the last war when it was observed that shattered Perspex windscreens fragments lodged in pilots' eyes were often surprisingly well tolerated. Hard lenses reached peak popularity in the 1960s and now again in the 1980s there's a resurgence as the problems of soft lenses become more apparent. Eyes vary in sensitivity but the general message is you either can't wear hard lenses or you can't, and if you can't there tends to be fewer snags. The possible lifespan is about 10 years if they are looked after well. They correct a wider range of prescriptions and are easier to sterilise than soft lenses. There is of course the adaptation period which deters some people. Check-ups once a year are advised.

The important thing to establish when buying lenses is the aftercare offered. A rough average of visits to the optician for soft lenses is five 1-hour sessions. Unlike spectacles aftercare is crucial. Prices again vary, and the most expensive part of the whole procedure is the practitioner's time, but a rough guide is about £45 to £75 for hard lenses and £85 to £120 for soft lenses.

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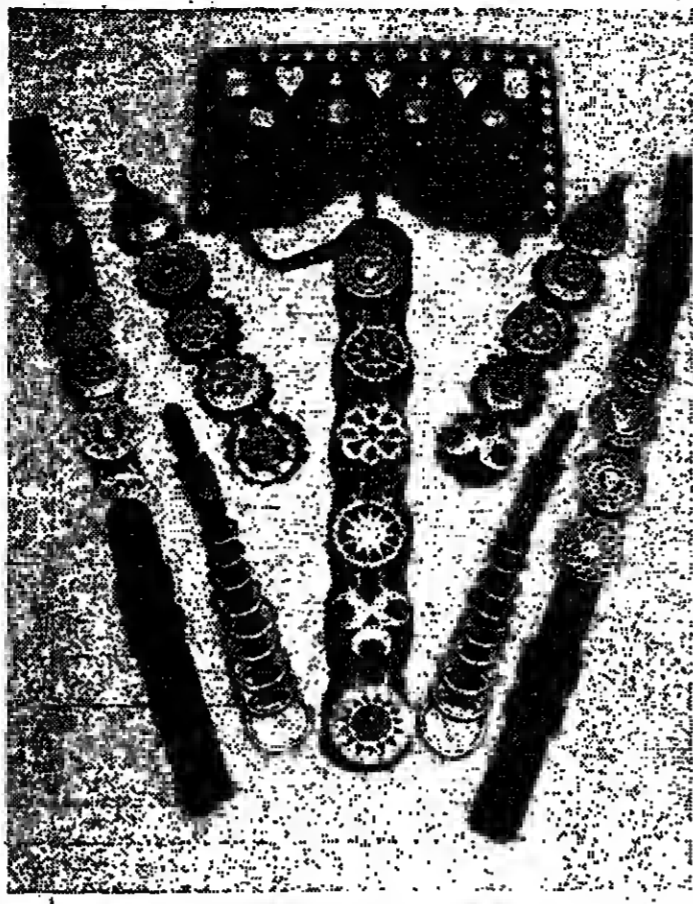
COLLECTING

Looking for the well-dressed horse

BY JUNE FIELD

OF LATE years the acquisition of horse brasses has suffered a certain loss of prestige. Mainly because of the somewhat quaint cottage-door image they conjure up, and partly because there are fakes and modern reproductions. But now that reasonably well authenticated and documented country antiques are in demand, there are signs that horse brasses, plus their related regalia, are once more coming into their own. It is a collecting category that can take one not only to antique shops and auctions, but to museums, even pubs, who often have fine collections, as well as to agricultural and horse shows, carnivals and the like, because nothing beats seeing the heavy horses adorned with their finery. The complete regalia of brasses borne by a well-turned out cart horse could weigh around seven pounds, according to the number of brass studs on the cart saddle, one strap behind the saddle and side reins, all of which are decorated with small brasses. According to the importance of the occasion the pieces could comprise the following: Face brasses, one or more to hang down over the forehead; two ear brasses, one behind each ear; six runner brasses, three at each side of the runners at the shoulder; six to ten martingale brasses (the martingale is a leather strap hanging down from the horse's collar and fixed to the girth between the forelegs). Plus any number of brass rosettes and other ornaments together with nose-band and name plates, as well as a "swinger", a miniature brass that swings loosely in a frame fixed over the animal's head, also called a fly-turret. A flyer could also be fixed to the top of a saddle. A brass carved horn-shaped brass piece affixed to each side of the collar, browband and perhaps plumes for the plaited mane, and a well-dressed Shire horse would be ready for parade. The heyday of horse brasses was in the middle of the last century and lasted until the First World War, when the internal combustion engine put the draught horse out of fashion. When Samuel White began brewing in 1742 he bought a number of Shire horses to haul his drays round the City of London. By 1814 there were some 412 horses

carrying draught beer to the company's public houses. Now there are only 16. The significance of the patterns are said to go back to the days of sun worship and the celebration of pagan rites, as well as incorporating motifs suitable to the owner. Horses pulling brewery drays would have brasses with barrels on them, a churn might be found on those animals drawing dairy floats, railway companies had their own brasses, and windmills were for the millers' horses. Knowing your horses makes for added interest. John Vince in *Discovering Horse Brasses* listed the main breeds. The Shire, a large massive work horse used for the farm ploughing as well as pulling drays. The Suffolk Punch, native of Norfolk, Suffolk and Essex, and the Cleveland Bay and the Clydesdale, who take their names from a valley, plus the Hackney or Norfolk Trotter, obviously suited to carriage work. Some knowledge of the history of brass and the ways of working is essential for the collector too. Much can be learned by comparing the metal of old brasses with modern reproductions. Old brasses will have developed a patina from repeated polishing, and show signs of wear where they jingled against the harness as the horse moved. Patterns for the cast brasses were made from carved wood or soft metals, and rosettes to be mentioned too is part of a harness and a number of brasses from a farming family in Balcombe, which have been handed down from father to son for over 150 years, and in daily use until the early part of this century. Other lots of 19th and 20th century brasses include heraldic crests, animal and bird motifs, army and navy emblems, commemorative and brewery brasses. Among some geometrical designs, mostly based upon the circle, are early examples such as Staffordshire knots, sun bursts and playing card brasses using the suit designs. Queen Victoria's Golden Jubilee brasses are expected to make £40 to £50, some swingers could be about £10 or so, with late brasses between £5 and £15. A fine saddle with a cropper could fetch £250 to £300, and a matched pair of martingales £30 to £80. The sale is expected to make an overall £5,000. (Catalogue



A selection of nineteenth century horse brasses, and leather, including martingales.

lot, sold for a total of £4,981 at Pulborough, Sussex, sale while in June 1979, one lot of 212 brasses made £900 at Sotheby Belgravia. What to read: John Vince's *Discovering Horse Brasses*, 1970, in the Shire Publications discovering series; George Hartfield's *Horse Brasses - Their History and Origin*, 1968; H. S. Richards' *All About Horse Brasses*, 1944; and *The Heavy Horse, its Harness and Decoration* by Terry Keegan (Pelham Books). Mr Keegan is a founder of the National Horse Brass Society, which was formed in March 1978. Some of these books may be out of print, but *The Horseman's Bookshop*, 1 Lower Grosvenor Place, London, SW1 (01-834 5600), who run a postal service, will advise what they have in stock. To see the big horses in their regalia, there is the London Harness Horse Parade on Easter Monday, April 12, in Regent's Park, when the impressive White-bred horses will be on show. As well as still delivering in the City for the brewery, six of them also draw the Lord Mayor's and the Speaker's coach. For free leaflets on their history, send stamped addressed envelope to Miss Jane White, Whitbread Brewery, Chiswell Street, London, EC1.

SPORT

Financial Times sports writers look at problems facing Rugby and soccer clubs on the eve of vital games

Ending the rule of the boot

IRELAND'S first Triple Crown since 1949, coming as it did when least expected, has been warmly and universally welcomed by the Rugby fraternity. It gives an important stimulus to the game in Ireland and rounds off the long and distinguished careers of Slattery, Orr, Keane and Duggan. The final hurdle is in Paris in a fortnight. Ireland should beat what may well be yet another reorganised French pack. With the match following the Cheltenham National Hunt Festival, Ireland could be deserted by the church at a virtual standstill. The comparisons between the Irish teams of this season and the 1949-50 team have been made and indeed there are similarities with the England team when England won their Grand Slam in 1960. But one statistic stresses a major change in the game—the dominance of the boot rather than the hand. In 1949-50 Ireland scored 32 points. They scored four tries (earning three points each) but only four penalties were kicked. Yet this season Ollie Campbell has already scored 37 points from kicks, including all the 21 points against Scotland in the Triple Crown decider. This season the six championship matches have produced only 13 tries. But there have been 85 successful penalties. Either kicking techniques have improved immeasurably or the laws are being flouted disproportionately. I believe that this season's internationals have not been at all violent, so most of the penalties have been awarded for what I regard as minor infringements. The International Board will be reluctant to tinker with the laws again. But something radical will have to be done soon if Rugby is to survive as a handling and running game. The 1967 changes in the laws had the specific intent of curbing the predatory activities of back-row forwards and also the creation of space for the three-quarters. It is more than ironic that the game has taken a full-circle, returning to the over-emphasis on forward play, on defence and the importance of the boot. Any changes must centre on the gravity of the penalty for specific offences. Two things are clear. Breaches of the law must be punished and there

must be a clear definition between the dangerous and the unintentional foul. There are many options open but before choosing any the basic premises must be the encouragement of running and the elimination of dangerous play. An answer may be that all offences except those that constitute dangerous play should be awarded indirect free kicks so that the fractional offside such as that which cost England the match in Cardiff last year are put into perspective. I recall giving away an offside penalty in the 1982 Calcutta Cup and Ken Scotland kicked the goal to give his country a draw. I like the Rugby League practice in the matter of penalties. They have the option of a kick at goal or a two-phase penalty which is a kick-touch and a restart with a tap penalty. If one assumes (and it will come one day) the introduction of a penalty in front of the posts for dangerous offences, the Rugby League type penalty could well be used for lesser transgressions. It punishes and gives the non-offending side a second advantage. I have a great deal of sympathy for referees in all this. Certainly the powers vested in the touch judges have made things easier but the laws, particularly those relating to the tackle and the line-out, have made the referee's job increasingly complex. Of course, they make mistakes and are not above criticism but I deplore the way in which their decisions are increasingly questioned. I was astonished to be told by a well-qualified Midland referee that he had to threaten to abandon a school game because of the constant bickering by both sides. But if their elders and betters do not set the example then who is really to blame? The game has changed enormously not just for the players but for spectators as well. Of course, it has to be a players' game but simultaneously with increasing commercialisation of the game some regard for those watching has to be considered. No one plays any game to finish second but if a team loses, is it really the end of the world? Because Rugby is not solely



Ollie Campbell, Ireland, who scored 21 pts from kicks against Scotland.

and simply about winning (except at international level) it concerns the individual and team enjoyment, the wielding of skills and the personal satisfaction of knowing that one has pushed oneself to the limit. No one plays badly on purpose and no one likes to lose, but someone has to sometime. Peter Robbins

Eight for the lifeboat

THE EIGHT clubs contesting the FA Cup quarter finals today can afford a small smile. Big crowds are a certainty and a win should make any club financially secure for this season, as more join the list of lame ducks. Although Chelsea are still over £1m in the red, unlikely to achieve promotion and their gates have fallen by 27 per cent, they will, for once, regret that Stamford Bridge is not larger and able to accommodate all those who would like to see their clash with Tottenham, for my money the most exciting team in the land. A home win would be just the right tonic. While a series of profitable replays would not be unwelcome, though not to Spurs who are still chasing three other honours. The other all-London Derby is between Crystal Palace, whose gates are 50 per cent down, and QPR. Rangers displayed considerable enterprise by installing the only synthetic grass pitch in the Football League, which allows them to stage other events at Loftus Road and has no recent postponements in the bad weather. They have been rewarded by a slight increase in attendance figures and still have a reasonable chance of promotion. The fact that two more Second Division teams, Leicester City and Shrewsbury Town, are also in the quarter finals, suggests that the standard in the First Division is not as high as usual. Many thought the young, attractive Leicester side would bound straight back into the First Division, but they have missed out somewhere along the line, while Shrewsbury can be congratulated on learning how to live, as so many clubs have failed to do, within their means. The one "First Division match" of the round is between the two Midlands sides, West Bromwich Albion and Coventry. Neither has done as well as expected this season and for both a visit to Wembley would boost local enthusiasm and turn a probable loss into a profit. Albion look to have a much better chance as in addition to home advantage, they are at their best a well-above average team and attractive to watch. Although my four for the semi-finals are Spurs, Leicester, QPR and West Bromwich, I have a sneaking feeling that Shrewsbury will go through. Spurs may need two games

RACING

BY DOMINIC WIGAN THIS AFTERNOON'S Timeform Chase has long been a mid-season goal of Wayward Lad, and there will be more than the odd "Blind Follower" of the Dickinson bandwagon leaving Haydock the poorer this afternoon if the 7-year-old fails in his bid for this 21-mile prize. If Michael Dickinson is right in feeling that Wayward Lad will not yet get back to his best when he scored at Ascot last time out, the writing seems very much on the wall for the Royal Highway gelding's three opponents this time. Now thought by Dickinson to have returned to the form which saw him outclassing eight opponents in the autumn's Lamber & Butler Premier Chase qualifier at Weatherby, Wayward Lad should be seen to maximum advantage over today's similar 24-mile trip with its emphasis on fast and fluent jumping. I expect to see him in command some way out and recording a clear-cut victory of at least four or five lengths over the steadily improving Clayside, who looked just in need of the run, when third behind Duc de Bolebec and Little Bay in the Blackburn Handicap at Haydock. Half an hour after the £14,000 Timeform event, Dickinson and Robert Earnshaw ought to lift their second major prize of the afternoon through Bregawn in the equally valuable Greenall Whitley Breweries Chase. Another much-improved chaser, Bregawn has won on each of his four appearances this term. The 21 lengths winner of a modest handicap at Market Rasen in November, Earnshaw's mount went on to take advantage of a 19 lbs concession from Night Nurse at Haydock on his way to victories over Megan's Boy and Saint Filkins at Doncaster and Kempton, respectively. Bregawn, who looked remarkably full of himself after a gruelling experience on Town Moor when completing his fourth timer in the Freshfields Holidays Chase at Kempton, is not on his running there a sound bet to confirm placings with Saint Filkins on 8 lbs less-favourable terms. However, that runner-up has since disappointed badly and a greater threat is likely to come from Little Bay. A high-class performer on his day, this Little Buskins' 8-year-old would probably have trounced Skeggy at Ayr last time out without knowing that he had been in a race, had Richards decided to keep the blinkers on. Sula Bula can repel a strong southern challenge headed by Morice and Omnipotent in the Victor Ludorum Hurdle. Down in Berkshire, Masterplan is again saddled with the map in the Philip Cornes Final. Had he not got himself into difficulties with a blunder at the eighth in the Philip Cornes Qualifier at Weatherby on February 6, Masterplan might well have accounted for Spider's Well. Although 11 lbs metres that opponent on 11 lbs worse terms this time, I believe that Masterplan will be worth a bet in the bands of Francombe. HAYDOCK 1.15—Wayward Lad 1.45—Bregawn 2.15—Sula Bula* 3.15—Borough Hill Lad** 3.30—HOLLOWBURY 1.30—Hollow Lough 2.00—Last Argument 2.30—Masterplan*** 3.00—Quarte 3.30—Fledge 4.00—Jack Madness

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GOLD AND SILVER TUMBLE

The flight into paper money

By David Marsh

Outlook: dull —and sunny

EVERYONE NOW expects a dull budget next Tuesday, and the financial markets have therefore been celebrating. This is a telling illustration of the times we live in, but whether it proves that abstemiousness provides a rich reward, or simply that financial markets are now obsessed about public sector borrowing is still a matter of hot debate. It is not simply a local phenomenon; the joy in the London market at Sir Geoffrey Howe's expected caution is simply the counterpart of Wall Street's demoralisation about Reaganomic deficits. It is hard to remember that there was a time when markets rose on expansionist Budgets, not tight ones.

Lower rates

However, the market is not simply celebrating what it expects to see next week; it is also mightily relieved at what it has already seen in the foreign exchange markets. Sterling, which was once upon a time supposed to fall because of poor competitiveness, rose instead. Embarrassed officials explained that the rules had been changed: sterling is now a petro-currency.

Last year the Chancellor concluded that even a petro-currency responds also to relative interest rates, and announced a tight Budget and lower rates. Sterling duly fell. In the last few days, however, the price of North Sea oil has been cut by 8¢, the market is pushing interest rates down regardless of amber lights displayed in Threadneedle Street, and yet sterling has remained stable. The market seems to have concluded that the rules have been changed again, and in our favour.

What has undoubtedly happened is a change in circumstances; but while some of the changes may prove durable, others are temporary. The fall in the oil price has paradoxically proved rather a helpful change, for it has drastically cut the flow of new investment funds available to Opec surplus countries, and it is the movement of these funds which has made exchange rates so abnormally sensitive to interest rates.

If the Opec ministers decide to cut production this weekend to stabilise the market, the flow of funds will be reduced still further; but since Opec earnings are sensitive to volume as well as to price, the benefit will be transitory. The oil industry is at present desocking rapidly; when stocks stabilise, production and Opec cash flows are likely to improve.

Good fortune

The Chancellor will also be vividly aware that this is the tax-paying season, which has its own influence on sterling.

It used to be clear that the seasonal strength of sterling at this time of year was due to the effect of the tax squeeze on short-term interest rates. This time the authorities have avoided any squeeze, but the demand for tax funds can still affect the exchange markets. Recent detailed monetary figures have shown that corporate treasurers have learned to take advantage of the end of exchange controls, and hold temporarily idle funds in dollar accounts, where they have been able to enjoy both high running returns and steady appreciation. These balances were sold off to the tune of £1bn in the last full figures to pay tax. This short-term prop for sterling will be kicked away in a matter of days.

Some of our good fortune, then, is temporary; but against this there are three long-term influences working in our favour. The first is the underlying real performance of the British economy. As month follows month, it becomes steadily clearer that the recent productivity performance in the UK marks a real sea-change as is conceded even in a generally critical review of Government policies by the Clare group of economists—largely of ex-official advisers. The exports performance has also made a nonsense of conventional forecasts. When these trends are reliable enough to get built into models, the forecasts may also get sunnier, and the market is already taking note.

This is certainly not an argument for relaxing, least of all on the exchange rate; it is because the industry now works on the assumption that it must adapt to competitive forces, rather than have demand and exchange rigged in its favour, that painful and long-needed changes have been made. To abandon discipline now would undermine the positive achievements of the Thatcher squeeze without necessarily recovering much of the cost of the achievement.

Fair chance

The Chancellor will present a serious Budget, while no doubt taking modest credit for a cut in commercial and mortgage interest rates and a 14 per cent advance in long-term Government stock this year. He may also say something about the influence of American rates—less than it was, but still present. Yet it is here that the real good news could appear: for Wall Street is still discounting a Budget in the U.S. which looks less and less likely to be enacted. Congress wants to cut spending and deficits, and so cut U.S. interest rates. If it succeeds, it will do more than anything Sir Geoffrey can contrive to give his policies a fair chance.

"NORMALLY when everyone says the gold price is going down, that's a signal that it's about to go up. But this time, everyone's been right."

That was how one disgruntled Arab bullion investor, pouring out a tale of woe this week to his London broker, summed up the present disarray on the precious metals markets.

Gold, silver and platinum have all tumbled this week to their lowest levels for two to three years.

Investors around the world, their eyes fixed on high interest rates, receding inflationary fears and the falling oil price, have been flocking away from the traditional metallic refuges for fooliose funds. In a wholesale flight which this week threatened to become a rout, they have been turning instead to high-yielding deposits—back in short, to paper money.

The price decline has been rapid even by the volatile standards of the commodity markets. Compared with its overheated high of January 1980—in the wake of the Soviet invasion of Afghanistan—the gold price is down by 60 per cent. This is a much bigger percentage drop than during the previous gold slump in 1975-76.

Platinum has dropped 87 per cent, and silver—which attracted even more speculation than gold in 1979/80, thanks above all to the attentions of the Hunt Brothers—has plummeted by 80 per cent.

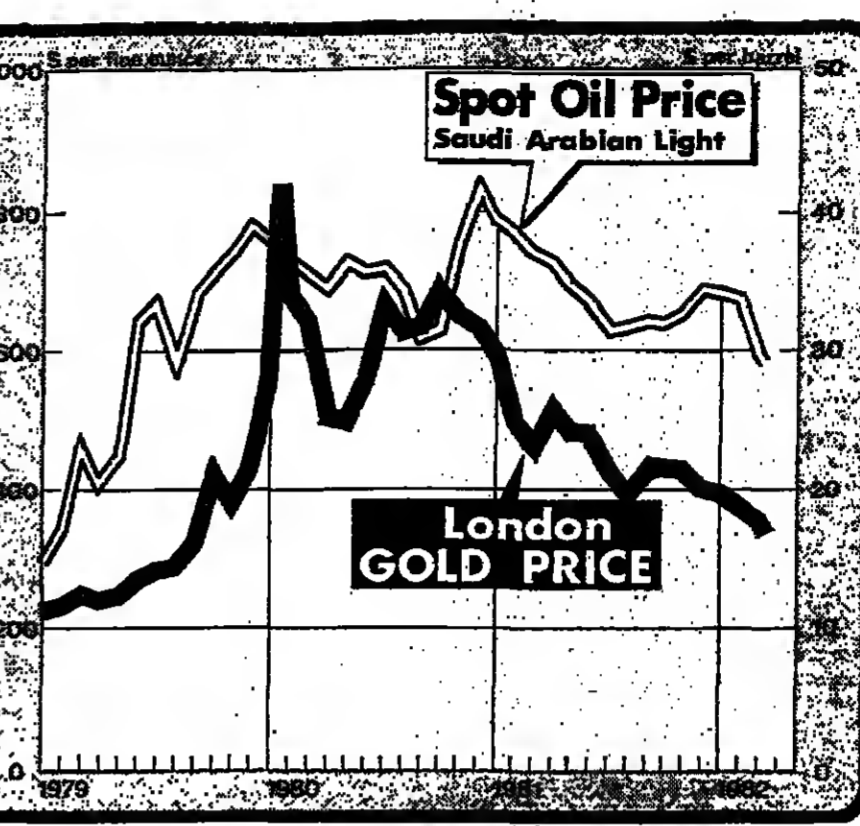
The rise and fall of gold may have done grave harm to the metal's 5,000-year-old reputation as a lasting store of value. Gold more than doubled in price in the three months leading up to January 1980, a surge which at the time gave rise to euphoria among bullion buffs throughout the world. But it prompted incautious investors to jump on to the bullion bandwagon at prices which, with hindsight, could never have been sustained.

It's all the result of those crazy three months two years ago, said one London dealer this week. "There is still an awful lot of metal that could come on to the market. The situation is horrendously bad."

Serious damage has already been done to the economies of the big gold producers—South Africa and the Soviet Union. Both countries need dollars to plug a balance of payments deficit. Their heavy selling over the past year has been one of the factors pushing down the price. It sets up a vicious circle by creating the need for them to sell even more.

Yesterday, the Russians took the extraordinary step of asking international gold dealers to make an impact. The information that no net Soviet gold sales have been made for three weeks, Moscow is clearly worried that it is getting the blame for killing off the golden goose.

In Pretoria, the shadow of the falling gold price is looming progressively larger. The Government is preparing to announce a tough Budget later



Marwyn Barnes

this month to compensate for the lost bullion revenues.

Several oil exporting countries, which, at the height of the oil boom two years ago, ploughed surplus revenues into the yellow metal, have also come embarrassingly unstuck.

Selling from Middle East countries which are now suffering financially from the oil price slump has been one of the other potent factors hitting market morale.

Not for the first time, the link between the price of gold and oil—which both act as indicators of the running speed of the world economic engine—has been amply demonstrated this week.

Some of the Middle East sales, according to market reports, have come from Iran. But Bank Markazi, the Iranian central bank, has denied reports that it has been selling gold, and has stated that it has even recently been buying.

Last but not least, some of the international banks and bullion brokers which reaped profits from the 1979/80 gold and silver boom are now starting to share in the misery of some of their customers.

A handful of international banks have recently announced losses or other difficulties connected with loans to clients who have come to grief through precious metals trading.

The difficulties caused by declining metal values are faced not only by private sector

speculators on gold and silver futures markets, whose credit positions with their brokers depend on the fluctuations in the value of the metal they pledge to buy. Additionally, some central banks can be affected through their own borrowing operations.

The Hunt family, which tried to buy up a large proportion of the world's silver consumption in 1979, came a cropper when the price collapsed in spring 1980. The slump in their loan collateral unnerved the banks which had helped them finance the operation.

The Hunts have just renego-

have received more inquiries during the past few months from hard-up countries wanting to raise money against the security of their gold. But at a time when the metal's price is highly volatile, even gold is not as good as it used to be for securing dollar loans.

The overriding fear of bullion bankers is that if too much metal is tied up in collateral for different countries, and if one borrower cannot repay, the gold has to be sold. This might depress the value of collateral of all the other borrowers, and trigger off a nightmare chain reaction of

of Saudi Arabia's al Rajhi family of money changers.

● Kredietbank Belgium's number three banking group, has suffered a sharp fall in its share price—which has now recovered—following reports of losses incurred by Saudi Arabian clients in silver dealing.

● Swiss Volksbank, the fourth biggest bank in Switzerland, last month cut its dividend by half after running into losses of SwFr 138m last year as a result of clients' inability to cover silver market operations.

The banking difficulties follow on the heels of the well-publicised gold dealing losses during the last few years at Dresdner Bank of West Germany.

There is a feeling in the gold market that the recent disclosures of losses will not be the last. "I am confident that Moccata is not alone in this situation," said one senior London dealer this week.

Another London bullion banker commented that the fall in price was "certainly something that should concern banks dealing with individuals in gold. If the borrower does not have the money, the banks are forced to sell gold held as collateral. The situation could easily escalate. The atmosphere is quite dangerous."

Other bankers are less disturbed. One Continental dealer blamed the spate of publicised losses partly on banks with no great experience in the precious metals business, "trying to make a quick buck."

It is certainly clear that even Switzerland's conservatively-run top two banks have not escaped entirely without setbacks from the precious metals melee. This week Union Bank of Switzerland reported an 8.6 per cent

drop in precious metals profits for last year. Swiss Bank Corporation reported a 22 per cent fall in 1981 profits from the currency and precious metals sector, in spite of improved results from foreign exchange trading.

Bankers generally deny that they have been tightening up their credit procedures in the light of recent events. "You don't tighten up your customers' rules—you choose your customers well in the first place," said one London metals trader.

The margins which brokers and banks charge clients dabbling in the futures markets have been under close scrutiny ever since the speculative silver hubbub burst two years ago. The cash margin is the security deposit which futures market purchasers must pay at the outset to guard against the possibility that the metal's price falls by the time the contract matures.

Margins on the New York markets can be as low as 5 to 10 per cent of the value of the contract—against the 25 to 30 per cent European banks have been known to charge. Brokers and banks which want to attract business, however, sometimes have to offer low margins—which is where the opportunities for losses occur. The organisers of the London gold futures market, due to start in April, say margins will be "competitive"—which could mean they could be shaved to New York levels.

The other area to which the banks have to pay attention is in the valuation of gold held as collateral for loans. Even the South Africans normally receive a loan equivalent to only 75 to 80 per cent of the value of the gold pledged as security. This gives the lending banks a margin to take account of price falls.

The extra leeway has been badly needed recently. When South Africa arranged the first of its recent round of gold-backed "swap" loans back in October, the price was 30 per cent higher than it is now.

A key hope among bullion investors who bought not wisely, but too well during the past two years is that, at some stage, western central banks might be emboldened to step in and support the price.

But any form of concerted intervention at this stage looks remote. For many European central banks which bought gold at \$35 per oz, the present price still looks dear. Additionally, they would be diverting funds from high yielding Treasury bills. One particular leading central bank governor would probably prefer not to be reminded of his comment—in private—at the end of 1980 that, any drop to below \$600 would present an admirable opportunity to buy.

So far, however, his central bank has not been noticeably pushing in to stock up its gold reserves. It is one of the persistent symptoms of a bear market in heading fight that, however far the price falls, for would-be purchasers it is always about \$20 too high.

There is a feeling in the gold market that the recent disclosures of losses will not be the last

listed on more favourable terms the \$1.1bn banking loan agreed in 1980 to refinance debts run up during the buying spree. But the Federal Reserve has apparently insisted on a strengthening of the requirements that the Hunts gradually sell off their 60m oz silver stockpile. The awareness that this huge hoard will eventually come on to the market is another black cloud over the silver price.

Several central banks around the world, led by the South African Reserve Bank, from time to time make use of their gold reserves as collateral for balance of payments financing. International bullion bankers

loan foreclosures and forced sales.

One banker specialising in such deals said this week that only about one third of the countries which apply for such loans actually manage to arrange such deals.

The banking problem cases that have come to light so far are:

● Moccata and Goldsmid, the subsidiary of Standard Chartered Bank and London's oldest-established bullion broker, has just announced a sharp fall in profits arising from gold transactions last year. The reason was an unpaid £2.5m debt owed by a branch

Letters to the Editor

Tender

From Mr G. Pelly
Sir,—I am a little bemused by the criticism which has been levelled at the merchant bankers who were responsible for handling the recent issue of Amersham shares.
On the figures as shown in the prospectus, the shares at their offered price did not look all that attractive. Now, if you please, as I write, they show a gross yield of only 2.6 per cent and are selling at something in the region of 15.5 per cent earnings.

I notice that it has been suggested that the shares should have been offered by tender. Think of the outcry there would have been from certain quarters if some powerful consortium had scooped the lot at a price considerably below that quoted now.
George Pelly,
72, Tiverton Court, W8.

Punt

From Mr N. Moore
Sir,—Some 20 years ago, you were kind enough to publish a letter from a relatively new arrival on the City scene, unable in his innocence to understand why issuing houses persisted in fixed price offers for sale while the tender method of share issue possessed such compelling advantages.
Today, more worldly-wise if not wiser, with the Amersham issue only the latest to embarrass its sponsors, I still find the arguments favouring an offer for sale unconvincing. It is said that the small investor has a better chance of taking part. Translated, this means that the stag, professional or amateur, has the opportunity for a riskless punt. Under a tender issue, the serious longer term investor, professional or amateur, has to make a judgment. Nobody who takes the trouble to do his homework or seeks professional advice is excluded; in any case, the indicated minimum price always acts as a guide.
As for the Amersham issue, I am intrigued to know why the Government's advisers went out

of their way to confirm the opinions of those who believe the stock market to be the top person's football pool, and, as an observer of the political scene, why the Government accepted that advice, inviting charges of miscalculation and incompetence from opponents blessed with 20/20 hindsight.
Neil Moore,
Remy,
Eridge Green,
East Sussex.

Gas

From Mr L. Cockcroft
Sir,—Domestic gas users now face a 22 per cent increase which means that prices will have about doubled in less than five years. All to conform to a policy decision that gas prices are, over three years, to rise at a rate equal to inflation plus 10 per cent. Such principles are themselves responsible for perpetuating inflation, the reason for the extra 10 per cent should be clarified.
It has been alleged that it was required to reduce depletion rates in the gas fields and to maintain parity with energy costs as a whole. Yet oil prices are sliding, further gas fields are being opened up, and British Gas is turning in annual profits of about £1.3bn.
Continuing cost escalations of this character can only be crippling to industry and consumer alike. In industry the effect on ability to compete and maintain employment, investment and profit is obvious. Many domestic gas users will be seriously affected.
Such paradoxes are inexplicable—especially as the up-up to the next Election approaches.
Lionel F. Cockcroft,
Oakhill, Todmorden, Lancs.

Ulster

From Mr J. Andrews
The integration of Great Britain and Northern Ireland on Sir John Biggs-Davison's lines (February 24) would be a healthy solution to the problem.
On inspection, however, this is idealistic and impractical. The penetration of Northern Ireland politics has been re-

jected by the Labour Party, and the Conservative Party, perhaps due to its historical links with the Unionist Party, has failed to make an impact. The new electoral boundaries and 17 seats for the province may provide the major parties with an incentive to make positive steps in this direction.

Government requires the consent of all the population. I see little chance of the remoteness of British politics in Westminster achieving such consent. British Governments have not involved Ulster MPs in government and even if the major parties did organise in the province the prospects for success are limited. With four major parties in the province minority participation in government could be implemented; thus Mr Prior's proposals must be encouraged. "Rolling devolution" offers a realistic and practical opportunity of increasing the consent and participation of the population in government and thus solving the economic and security problems.

John W. Andrews,
Pembroke College, Cambridge.

Leasing

From Mr R. Wood
Sir,—The report (February 24) about the decline in leasing business quite rightly refers to the effect of the recession on capital spending in general. There is, however, no mention at all of the impact of the 1980 Budget measures, which is almost certainly responsible for some of the decline. Not only did that Budget inhibit local authorities and other public sector bodies by making equipment leased to them ineligible for 100 per cent capital allowances, but private individuals were not allowed to offset capital allowances from "qualifying" leases against the tax on their non-earning income. No such restriction was imposed on corporations, who remain free to "shelter" their trading profits with capital allowances from leasing.

The whole point of writing leasing business (usually at rates of interest in single figures) is that it defers taxa-

tion from one year to later years, and there seems no good reason why individuals should not be allowed to do this, if corporations can. This then is another example of a Government which professes to want to assist small businesses and the private individual, doing precisely the opposite.

To add insult to injury, there is even an implication in your report that the banks are badly treated and "there are fears that unless the volume of leasing starts moving upward again, the banks may face higher tax bills in the future as deferred tax becomes due." Too bad!
R. L. Wood,
Cophthall Leasing Company,
20 Cophthall Avenue, ECC

Overseas

From the Managing Director, Hedgehog Leasing
Sir,—I was sorry to see that Lex (March 4) considers that overseas equipment leasing could be hit by legislation aimed at discouraging tax haven companies.
Lex suggests that overseas leasing enables UK tax to be avoided. This is wrong. Leasing is only a method of tax deferral and the income is taxable as and when it is received.
The existence of 25 per cent writing down allowances for overseas leasing (not 100 per cent allowances) enables the City to provide finance at competitive rates. The tax incentives are therefore a valuable aid to invisible exports.

"Double dip" deals involving U.S. and UK tax allowances are quite different from conventional leasing abroad and I hope very much that the Inland Revenue and the Chancellor will do nothing to inhibit perfectly proper and conventional financing of exports.
John Dowdell,
Hedgehog Leasing,
2-4, Russia Row, EC2.

Rates

From the Borough Treasurer Restormel
Sir,—Much comment has been made by sectional interests that the burden of rates must be reduced. What these interests

really mean is that some other section of ratepayer, other than their own, should pay. This merely changes the problem around the system, does nothing to reduce the burden, increases the administration, and for every pound paid less by one sector adds at least one pound in other sectors. The whole argument relies on the notion that somewhere there is a solution that will allow the present level of service with a lower payment.

These confused thoughts, constantly repeated, ignore the obvious fact that, to reduce the burden of rates, it is necessary to reduce the net expenditure financed by rates. In this way alone can a true reduction be achieved. Every local authority has peripheral services provided for small numbers of persons, many of whom will not be ratepayers. Proper levels of charges would soon determine the actual need for such services. Full use of capital assets, in particular land that is unused or underutilised, would achieve either capital receipts or rents. Committees should spend more time achieving economies, and less time planning increases in spending. The powerful local government associations should spend less time defending the present position, and advise constituent authorities on available methods of cutting the cost of services that have proved effective in other authorities. Comparative statistics of expenditure, which the Government require local authorities to publish, are a start. How many councils have examined their own position in the statistical tables with a critical eye to identify areas where detailed examination would achieve lower costs without necessarily reducing the level of service? With the back grant paying over one half of net expenditure there is little incentive to economise. Subsidy always distorts demand.

In short, Sir, rates can be reduced, provided there is the will to do it.
J. S. Wallace,
28 Sea Road,
Carryon Bay,
St. Austell,
Cornwall.

Equity

From Mr H. Leggatt
Sir,—Malcolm Rutherford (February 26) refers to the debate in the House of Commons relating to the select committee's report on the urgent problem of the retention of our artistic heritage. Having read the relevant Hansard I note that there was all-party consensus on the Treasury's attitude which is now becoming so old-fashioned.
One recommendation made by the select committee, and indeed several years ago by a previous select committee, on the Land Fund was that the revenue should cease to exact interest charges on the value of an art treasure accepted by the Treasury in payment of tax during the time of its negotiation.

This is a matter of administrative equity for which Treasury Ministers already possess the necessary discretion. So in the words of the well-known refrain—"Why are we waiting?"
Hugh Leggatt,
Leggatt Brothers,
17 Duke Street, St. James's, SW1.

Arts

From the Secretary-General Arts Council of Great Britain
Sir,—While I welcome Malcolm Rutherford's plea (February 26) for "Another penny for the arts" may I correct two incorrect impressions his article gives?
The Royal Shakespeare Company came on to the Arts Council's books in 1964/65. This was not "late" but only one year after we assumed responsibility for funding the National Theatre Board. The assessments of subsidies are not left to chance. The uplift of 17.6 per cent for the Royal Shakespeare Company was as carefully assessed as the increase to Covent Garden, which was 8.3 per cent, not 6 per cent, (Sir) Roy Shaw, Arts Council of Great Britain, 105 Piccadilly, W1.

Bank of India
announce that on and after 8th March, 1982 the following rates will apply:
Base Rate.... 14% per Annum (Decreased from 14½%)
Deposit rate (basic) 11½% per Annum (Decreased from 12%)
Bank of India

Why South Africa rejoices

IT HAD to be something extra-specially big to downstage the most important split in South African politics for 34 years, but that's what happened here this week when Geoffrey Boycott and the "dirty dozen" arrived in Johannesburg in defiance of everyone from Mrs Thatcher to Mrs Gandhi.

The Prime Minister, Mr R. W. Botha, and his arch-conservative rebels led by "Dr No" (Dr Andries Treurnicht) were rapidly displaced from the front pages by pictures of "England Eleven" cricketers and teams of the hyperbolic copy of the kind beloved of sports correspondents throughout the world.

Political differences were forgotten. The sober opposition daily, *The Star*, declared that cricket lovers should "let the distant storms rumble away and conclude there is only one Boycott they like—Geoff Boycott." The zany pro-Government *Citizen* was as usual more pragmatic. "We say unequivocally that there is no colour bar in sport—and anyone who says there is is a damn liar. But the anti-apartheidists and mealy-mouthed critics of this country will not acknowledge the fact because they want to continue to use sport for political purposes."

Against this unanimous (and all-white) euphoric call by one Coloured leader for a protest boycott of the products of the sponsoring company seemed doomed to fail, since South African Breweries is the Republic's monopoly beer producer.

Nor was cricket the only breakthrough. More tours were promised this time for the rugby fans in the coming season—Cardiff, Bangor, Gloucester, even an unofficial "Lions" are said to be booking tickets. The only anti-climax was that the first game of the "England Eleven" produced a dismal performance by the visitors and then a wash-

out under the last of Pretoria's summer rains.

It has been a long time since while South African sports lovers could look to a relaxation of international isolation, but rightly or wrongly—probably wrongly—that is what they have decided this may be. The bad times for cricket started after 1988 when the South African Government refused to have the Coloured South African, Basil d'Oliveira, in the visiting MCC team. There has not been an official Springbok cricket team since 1971. National colours are being awarded for this tour for the first time in a decade.

The arguments that have raged since then apply to all sports and the international boycott has affected almost all of them—23 international associations refuse to admit the Republic—but cricket is also a special case. It is popular among whites but does not approach the national passion for rugby. It is still slightly more "English" than Afrikaans. It is not followed or played by many Africans; and it is not a "contact sport" which makes it less racially controversial. (This is a crude telling point: to defend your wicket against the cunning leg-breaks of a *Nie-Blanke* is less distressing to many white South Africans than scrumming down with your head between his thighs.) All these factors ought to put cricket in the vanguard of desegregation.

On the other hand, it is particularly vulnerable because, in contrast to rugby, international cricket operates on a network in which a number of non-white governments play a central and valued role. Thus, India, Pakistan and the West Indies—that is, their governments—are certain to make trouble in situations where international rugby nations might be less vocal. This is what is now happening.

The 12 English players who last weekend arrived to play a series of matches in South Africa have stirred a major row among cricketing nations and raised hopes in Pretoria of an end to its sporting isolation.

The debate is the same as ever. On one side is the proposition that sport is somehow distinct from—involuntarily—politics. On the other is the argument that in South Africa, perhaps uniquely, politics pervades every aspect of life: that you cannot have non-racial sport in a racial society; that the poverty of non-white facilities, education and also standard of living, as a direct result of the apartheid system, makes equality of opportunity and of competition impossible; and that sport is therefore an aspect of racial discrimination.

To digress, the debate is not always helped here by visiting sportsmen. Alvin Kallicharran, the West Indian test cricketer, is playing for the Transvaal this season but seems not to realise that his occupation of an apartment in a posh northern Johannesburg suburb is out of the ordinary (he has, of course, been classified as an "honorary white").

Asked by a reporter whether he knows that there are laws governing where certain races live, he replied: "I don't know what you are talking about." He was excelled last week by an obscure American professional golfer who, interviewed after playing on the local circuit, offered that he had seen "no

sign of black-white separation." For those who admit that politics and sport are inter-related, there are three choices. The first is to insist that, for fear of the consequences, sport must be kept utterly racially separate—as does Dr Treurnicht.

The second is to agree that, in response to pressure, apartheid should be amended insofar as it affects sport.

The third is to conclude that the overthrow of apartheid-in-sport be made part of the campaign to destroy apartheid in toto.

This last is a very important distinction when the argument is being run for years to come. It already lies at the heart of deep disagreements within opposition South Africa.

The desegregation of sport has made considerable progress in the last 10 years. It is perfectly true that multi-racial sport as such is not prohibited—segregation has come either from social habit and preference, or from the host of other laws that have made it difficult for the races to play together (drinking, dancing and lavatories have always been the problem areas).

Cynically or not, the Government has gone to some pains to lift these laws as they affect sportsmen. For example, last year the Government made "blanket" exemptions to exclude sports clubs from the restraints of the Group Areas Act, and the liquor laws were amended to assist this: the previous year it was agreed that advance purchase of entrance tickets to matches would suffice as a permit for Whites to enter Black townships.

The whole area is a densely packed minefield but the thrust of government policy has been to advance the desegregation of sport. It is not clear that the laws may not be changed the exemptions will be granted in order to circumvent them.

So the Nationalist Government

might, with some justification, claim that it has bent the rules and done its best to make multi-racial and international sport possible. At this point some of the international sport bodies argue that "bridge building" has achieved results, and that the pressure can now be relaxed.

Unfortunately there is still the third alternative—and the reason why the arrival of the "dirty dozen" is not going to change South Africa's sporting isolation. The reality is that the anti-South African pressure has all along been more fundamental.

The argument, summarised crudely, is that the white South Africans can only be made to realise the full abomination of their racist system—and so be moved to change it—following a total rejection by the outside world. Thus, all sports contacts must be refused, so long as apartheid survives on the statute book and so long as the popular black South African leaders do not ask the world to resume contacts.

It is difficult for most white South Africans to appreciate that their isolation is intended to be so total. Only the radicals—for example in the multi-racial South African Council on Sport—have known it, and are therefore now abusing the moderate bodies for dealing with the "England Eleven."

But slowly the point is being made and the international reaction to Geoff Boycott and his teammates will no doubt contribute. The Springbok rugby tour of New Zealand last year was applauded here with much patriotic fervour, but the strain told as the New Zealand police struggled to protect a tour that was visibly unacceptable to too many Kiwis.

When the exhausted Springboks returned, it was their captain, Wynand Claassen, who admitted that unless the system changes Springboks are never going to tour again.



Graham Gooch is clean bowled during his first match in South Africa on Wednesday

The England players who took a chance

WHY DID Graham Gooch and company decide to go?

The main answer is about £40,000 per player. Although they have, understandably, upset the game's administrators—because their going to play in South Africa may lead to the cancellation of this summer's tours of England by India and Pakistan—a professional player tends to think in terms of the present rather than the long term interests of the game.

After all, he has no long term security, could lose form, fail to be selected for Tests, or simply be injured in a car crash.

The rebel party can be divided into two distinct groups—those in the twilight of their international careers, who have also enjoyed large tax-free benefit matches—most now worth in excess of £50,000—and could not resist

the attraction of an easy financial killing, and those who are currently established internationals or are hopeful of becoming one.

The players in the second group may have been unwise, especially as an England regular can expect these days to earn around £25,000 per annum. The annual wages of a county player, which vary from club to club, are nothing like as attractive and normally, with bonuses, amount to about £7,000.

They may also have believed that if the South African-born Northants player, Allan Lamb, is chosen to play for England (he is now eligible) then both India and Pakistan would presumably refuse to play, anyway, while a ban on themselves is unlikely to be permanent.

Should Gooch, for example, not be selected for the Aus-

tralian tour next winter, which would be a less not only for England, but also for Australian spectators, he would presumably be more than welcomed in South Africa next winter?

The reaction to the South African tour, especially by politicians and some of the game's administrators, was inevitable. After all, it ended an international cricket as we know it today, and may well cause problems for other sports, but it might also end some of the hypocrisy which exists.

Until now, the West Indies, India and Pakistan have been happy enough to allow their cricketers to play with, and against, South Africans on the British domestic circuit. But they are unwilling to admit those England players who have been to South Africa.

Trevor Bailey

Weekend Brief

A day for steam roller buffs

RAMPANT HORSES will be running round Rochester in Kent this weekend. The word "run" is used rather loosely, for none will exceed about 4 mph. But it is the word the Road Roller Association chooses for its rally of steam rollers and steam engines to commemorate the centenary on Sunday of the death of Thomas Aveling, a great Victorian engineer and exporter, and "father" of the traction engine.

In 1859, Thomas Aveling, then 35, carried out an important engineering experiment. He had been designing and selling steam ploughs to Kentish farmers.

The idea—invented in 1833—was to position steam engines each side of a field and haul the plough back and forth on a steel cable up to 600 yards long. The handicap was that the engines themselves were stationary and needed a team of horses to shift them. Aveling's experiment was to make the steam plough self-propelling, but as the name behind the rampant horse symbol. According to one enthusiast, the rearing horse came from war banners of the chiefs Hengist and Horsa who invaded Kent in the year 449.

For aficionados, however, the name Aveling and Porter is most readily associated with the steam roller. Of a total of 12,700 engines built by the company, 8,600 were steam rollers. Aveling designed his first steam roller in 1865 and demonstrated it in Hyde Park. He had replaced the rear wheels of his traction engine with wheels 3 ft wide, bearing down with a pressure of 3 tons per square foot.

The rampant brass horse soon appeared on the streets of Manhattan, showing New Yorkers what British productivity was all about. A report from the Commissioners of Central Park records that "one day's rolling with the Aveling and Porter machine at a cost of \$10 was equivalent to two days and nights with an eight horse team and seven ton roller at \$20 per day."

Much rarer is the road plough, used to rip up a worn road surface so that it could be relaid.

According to Aveling Barford, the Gramham construction equipment company which has continued the name since 1933, some 600 Aveling-built steam engines still survive in Britain, mostly cherished at rallies throughout the summer months. And all but 100 are steam rollers.

A well-restored roller—one with a good boiler certificate—will cost about £15,000-£20,000 today, says John Brierley,



No. 1740, the oldest Aveling steam-roller in the UK, will lead the parade

marketing manager of Aveling Barford. You will pay a lot less if you are prepared to do the restoration but it can still cost £3,000-£5,000 "even for a really rough one," he says.

Aveling Barford is the proud owner of what it believes to be the oldest surviving Aveling and Porter steam roller in Britain, made in the year of Aveling's death, 1852. This roller will lead the Rochester rally.

The company expects about 10 of the lumbering leviathans to follow the "Aveling trail" round Rochester at the weekend, and rally on Sunday for the unveiling of a plaque commemorating the engineer. Each owner attending will also receive a souvenir shield of the rampant horse symbol.

The Aveling line survived for 90 years. The last engine under the name was built as recently as 1950, under contract by Vickers-Armstrong, for the Far East.

But steam traction came close to revival a decade ago, when the American motor industry recognised that steam could beat the crippling new restrictions proposed on emissions from the internal combustion engine. The industry spent prodigiously for a few years on electronic controls for steam engines and flash boilers that would raise steam in 30 seconds instead of hours.

In the end it was beaten by the inherently low efficiency of the external combustion engine when energy prices began to run rampant.

New broom at English Tourist Board

AND WHO is it, you may well ask, who thinks the City is short sighted, feels that the burghers of Chester are confused and now believes that the Labour leaders of London's GLC are beginning to see the light? Attitudes to tourism is the due, and the answer is Michael Montague, the 49-year-old Valor chief who was recently appointed as chairman of the English Tourist Board for a second three-year term.

Natally dressed Montague,

Course for nervous driving test takers

PEOPLE WHO are nervous before taking driving lessons or their driving test, can take a course of Pre-Driver Training in the City of London during lunch hours and late afternoons. The course is of six sessions of one and a half hours each and the last one gives a mock test to each of the six pupils seated in the Link simulator.

The course is one of several in the City's road safety programme, which includes advice on motor insurance and the "breathalyzer".

Each Link simulator is connected to a computer so that faults are recorded and instructors can discuss these with the pupils afterwards.

The simulator has brake and clutch pedals, gear lever and speed indicator and of course, a driving wheel and driving seat. These are designed to give you the "feel" of being in a car but without a windscreen or hood. Pupils are able to learn the use of gears, brakes, steering, the essentials of car control. They also learn to deal with intersections, traffic lights and pedestrian crossings, how to drive in open country, in sunshine and rain. Driving in heavy city traffic is another skill dealt with by the instructors.

I attended the last session of the course and sat in a simulator while the film of the test was shown on the wide screen. The driving instructor gives clear, precise statements of what is demanded of the pupil following each of the six pupils seated in the Link simulator.

The camera is placed in the driving seat of a car when the windscreen had been removed so there is no distorted vision, so that a pupil can turn the steering wheel to the angle of the car on the screen and do this without jerkiness or tension. I found it more helpful than any driving lesson I ever had during paid lessons or from well meaning friends or admirers.

This is probably the most valuable part of the course. Almost everyone is nervous before a driving test and some—particularly elderly people—are so tense they can hardly drive at all or listen to their instructions. Many fall just through tension. The mock test shows the driving faults so that the pupils can learn their weak spots and correct them before the actual test.

A student of 17 was taking the "test" the day I attended the course in Basin Street and only very minor faults were registered by the signals on the simulator. It is significant that the father of the student was himself a driving instructor and had paid for his child to learn correctly while young. Full-time students under the age of 18 pay only £4 for the course while the adult fee is £9.

The courses are designed for non-drivers but visitors from countries where there is a left-hand drive may find a course useful.

One of the instructors, Mr Dandy, told me that women do quite well on the course usually. The Corporation of London's Road Safety Centre, 71 Basinghall Street, London EC2Y 5HN is the address and application forms can be obtained.

Contributors
David Fishlock
Arthur Sandles
Elizabeth Shearing

TODAY: Second Arab Energy Conference in Doha (until March 11).

MONDAY: Final January retail sales figures. Provisional wholesale price index numbers for February. Fourth quarter construction output figures. EEC Research Council meeting in Brussels. European Parliament starts five-day session in Strasbourg. Law of the Sea Conference opens in Geneva (until April 30). Nato Foreign Ministers meet in Brussels to discuss Poland.

TUESDAY: Budget statement. Provisional figures of vehicle production for February.


Central Government transactions (including borrowing requirement) during February. Provisional estimate of money supply for mid-February. London clearing banks' monthly statement. Nurses due to receive response to pay claim. Daily Mail Ideal Home exhibition opens at Earls Court (until April 3). The Dail recovers. Public hearing on the CAA's cheap fares plan (until March 12). Business Enterprise show opens at the National Exhibition Centre, Birmingham.

WEDNESDAY: UK balance of payments for fourth quarter. Commons debates Budget. TUC economic committee. Lords debates National Health Service. London bus and underground strike. OECD meets in Paris. Confederation of Shipbuilding and Engineering Union discusses pay.

THURSDAY: Commons Budget debate continues. President Mitterand arrives in Washington for talks with President Reagan. "Fairs fare" campaign mass lobby of Parliament and rally

at Central Hall, Westminster. GATT panel meets in Geneva to discuss EEC subsidies on hour exports. CBI conference on West Africa—Nigeria and other key markets at Centre Point, WC1.

FRIDAY: Building Societies' monthly figures for February. Usable steel production for February. Mrs Thatcher launches "United effort" at Austin and Pickersgill's Southwick shipyard. Scottish Labour party annual conference in Perth. NHS ancillary staff in pay talks. TGWU working party discusses the future of statutory national dock labour scheme.



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Mr J E Mortimer
General Secretary Designate
The Labour Party
Former Chairman, ACAS

Mr Walter Goldsmith
Director General
Institute of Directors

Mr J P Lowry, CBE
Chairman
Advisory, Conciliation and Arbitration Service (ACAS)

Professor Lord Wedderburn of Charlton
Cassel Professor of Commercial Law,
London School of Economics

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Westminster & Country advances

DESPITE pressure on anticipated profit margins, the taxable surplus of Westminster and Country Properties rose from £176,000 to £215,000 in the first half to October 30 1981...

Mr D. B. Parkes, chairman, says this property and investment programme is continuing successfully in the face of the pressure on margins.

First half fall seen by GRA

TRADING RESULTS of GRA Property Trust will show a very significant deterioration in the first half of the current year...

However, the company is now free of the burden of the Scheme of Arrangement under which it has operated since 1976...

At the meeting, the directors will propose new Articles of Association, the changing of the company's name to GRA Group and an increase in capital...

Higher bonus rates from Refuge Assce.

Higher bonus rates have been declared on all Ordinary Branch with-profit contracts by the Refuge Assurance Company following the 1981 valuation.

DRG Canadian offshoot slips

Net income before extraordinary items of DRG Inc, the 70 per cent owned Canadian subsidiary of DRG, fell from C\$5,271m to C\$4,335m in 1981...

Extraordinary gains amounted to C\$1,039m (nil) made on the sale of the Selloppart department of the packaging division, Leeds, from the parent company...

Ault & Wiborg returns to black in second half

HIGHER second half taxable profits of £685,000, against £197,000, pulled Ault and Wiborg Group out of the red at the interim stage to a pre-tax surplus for 1981 of £120,000...

However, with earnings per 25p share plunging from 5.59p to 0.11p on a net basis, and from 6.04p to 0.64p on a nil basis, the year's net dividend is being reduced from 1.8p to 1.25p...

comment

The declaration of Ault and Wiborg's pre-tax profits looks —

£254,000 turned in by TR Energy at halfway

FRST interim figures of TR Energy show net pre-tax revenue of £254,056 for the six months ended December 31, 1981...

Revenue from operations was £251,340 (£488,702), and associated companies' debenture interest was £47,506 (£75,166).

AIM Group to be floated by offer for sale

THE FAST growing manufacturer AIM Group is being floated on the Stock Exchange later this month by way of an offer for sale of between a quarter and one-third of its share capital.

Profits have grown from £141,000 in the year to April 1977 to £1.7m last year. A forecast of a further significant profit increase for the current year will be included in the prospectus.

Satisfactory fourth quarter for AMC

FOURTH-QUARTER figures of Amalgamated Metal Corporation for 1981 are lower than the previous year but directors of the parent company, Preussag AG, are satisfied with the results.

The London office of AMC also achieves a positive result, particularly due to the activity in copper concentrates and tin trading Amalgamated Inc. on New York.

Securicor prospects

IN HIS annual statement, Mr Peter Smith, chairman of Securicor Group, says the company will continue to research for operational and administrative economies, and for improved productivity and efficiency.

In his view only the success of this, and of the consolidation and integration of major acquisitions, with a view to maximising both the opportunities presented and the profit to be gained, will the group maintain a prospect of sustaining the levels of profitability earned last year.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Correc. Total, Total. Includes Alliance Trust, Ault and Wiborg, Courtney Pope, R. P. Martin, Romani Tea, Ruo Estates, Solus, Westlake, Country Int, Williamson Tea, Yorkgreen Inv.

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †For 18 months. ‡For 12 months. †Irish pence throughout.

and is — bad, but the figures conceal a 2½ fold increase in pre-tax profits second-half on second-half. The company claims that the two 1979 acquisitions are washing their faces but since then gearing has risen from 25 per cent to 55 per cent.

R P Martin surges to £3.56m

REFLECTING the immediate benefits of the merger with the Birtwistle Group, the effect from August 14 last, taxable profits of R. P. Martin and Co. foreign exchange and currency broker, surged from £705,000 to £3,560,000 for the six months ended December 31, 1981.

First-half earnings per 5p share are shown well ahead from 10.27p to 15.61p and the interim dividend is lifted to 3.56p (2p) from 2.5p. The final was 5.5p paid from a pre-tax surplus of £2,17m on turnover of £9,91m.

Interlite growth aids Yorkgreen

In the 16 months to Oct 31, 1981 pre-tax profits of Yorkgreen Investments were £177,447 against £120,141 for the previous 12 months. After taking into account the company's subsidiaries and market lighting diffuser panels and allied building products to the electrical and building trades...

AIM Group to be floated by offer for sale

THE FAST growing manufacturer AIM Group is being floated on the Stock Exchange later this month by way of an offer for sale of between a quarter and one-third of its share capital.

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Securicor prospects

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STEUAU ROMANA

The rights issue by Steua Romana (British) of 3,64m shares at 45p per share has been taken up as to 41.86 per cent and the balance has been sold at 45p net.

Takeover panel looks at ACC share position

BY JOHN MOORE, CITY CORRESPONDENT

THE Takeover Panel is investigating suggestions that more than 50 per cent of the shares in Associated Communications Corporation, the entertainment group at the centre of a takeover battle, have been purchased by overseas interests.

The shares are understood to have been purchased over the last two days at prices up to 97p on the London stock market. The purchases have been made in the non-voting 'A' shares of ACC which are quoted on the Stock Exchange.

EVERED SECURITY

The agreement reached by Cartwright Lock and Pressings, subsidiary of Cartwright Holdings, to purchase Evered Security Products has become unconditional.

To clarify the earlier announcement in respect of the loss for 1980 of £4,737,000 should have been disclosed to investors to the Evered Security Products business as a whole and not solely to the assets being transferred.

Drayton Consolidated Trust—As a result of the purchase of 150,000 ordinary shares of Drayton Consolidated Trust on February 23 1982 the Standard Life Assurance Company now owns 2,018,877 ordinary shares (6.0 per cent).

Bisshopgate Trust—The Equitable Life Assurance Society holding has increased to 1.5m ordinary units (6.36 per cent).

Twinkl—Mr G. J. Trussler, director, has acquired 5,000 ordinary and Mr C. L. Grove, director, has acquired 5,000 ordinary.

Croda International—On March 2 1982, L. Messel and Co, brokers to Croda International, on behalf of an associate bought 10,000 ordinary shares.

Greenfriar Investment—Witan Investment holds 1,645,000 ordinary shares and 329,000 warrants to subscribe for ordinary shares (41 per cent of each class).

Spencer Clark Metal Industries—Consolidated Trust bought 247,000 ordinary shares on March 1 making holding 325,875 shares (5.95 per cent).

BIDS AND DEALS

Takeover panel looks at ACC share position

look at them." Mr Jarvis Astaire, the businessman with entertainment interests, who Heron plans to bring in to help run ACC if the bid is successful, said later that Central had "absolutely no need for concern."

We are fully aware of the terms on which the Central franchise was granted," he said, and added, "we would regard Central as favoured customers of the product we are going to produce for worldwide consumption."

We will not survive or fall on whether Central buys it or not. The British TV market comes a very bad second to the U.S. We hope for a special relationship with Central but will do nothing to affect their independence."

Fleet share purchases

The new company has about 60m shares outstanding. Other first-day purchases include 22,000 shares bought by Mr Ian Irvine, Fleet's managing director, and 20,000 shares each by Sir John Junior and Mr M. Murphy, who are directors.

JAYPLANT

Jayplant has acquired from the receiver of Fenway Holdings the name and goodwill of Bristol Fork Lift Hire, together with a number of contracts that extend for up to two years for hire of forklift trucks. Total consideration is £20,000 cash.

SHARE STAKES

Cosalt—J. Carl Ross, president, sold 25,000 ordinary shares on February 23 at 35p and a further 25,000 shares on February 24 at 34p, thereby reducing holding to 353,125 shares.

Skinner—B. A. Skinner, director, disposed of 50,000 shares as a trustee. T. Cowie—T. Cowie, director, has acquired 30,000 ordinary shares.

Brady Leslie—CBI Securities, a subsidiary of Anglo Nordic Holdings, acquired further 225,000 shares bringing aggregate holding to 920,000 (approximately 9.1 per cent).

United Newspapers—Legal and General Assurance and Drayton Premier Investment, following the increase in issued capital, no longer have a notifiable interest.

Bislett—Tin—Janar has acquired a further 30,000 shares. Following the acquisition Mr E. Hassar/Janar and associates now hold 94,500 shares (14.46 per cent).

Greenfriar Investment—Witan Investment holds 1,645,000 ordinary shares and 329,000 warrants to subscribe for ordinary shares (41 per cent of each class).

Spencer Clark Metal Industries—Consolidated Trust bought 247,000 ordinary shares on March 1 making holding 325,875 shares (5.95 per cent).

Results due next week

Shell's net income is expected to be just on the right side of £2bn when its figures are reported on Thursday. In the year to 31st December 1980 it made £2,250m. After taking FASS and stock items into account around £1.6bn is the popular estimate against last year's £1,520m. This would represent a continuation of the quarter of the third quarter, with the ending of the non-ARAMCO disadvantage. Upstream will not have been affected by the recent oil price cuts and downstream margins are thought to have widened particularly in Europe, aside from the seasonal upturn in gas sales. Chemicals are thought to be still making losses, albeit reduced. The first quarter of this year is a less encouraging prospect, with stock losses resulting from the price decreases in North Sea crudes.

Table with columns: Company, Announcement date, Dividend (p) Last year, Dividend (p) This year. Includes Allied International, British Aluminium, British Vita, BTR, Davies & Meredith, Deacons, Fenmar, Gas & Oil, Greenfriar, Hongkong & Shanghai Banking Corp., Invergordon Oilfields, Jovans Engineering, Koda International, Lunva, Martin-Black, Murray, Needlers, New Equipment, Phillips Industries, Polaris, Rolys Assurance, Robinson (Thomas) & Son.

AAA sells Curtagil for £133,550

Agil Holdings, a subsidiary of AAA Industries, has agreed to sell Curtagil, its cutting oil business, to Mr D. A. J. Doyle, a former director of Agil and AAA, for £133,550 cash.

BALFOUR KILPATRICK

Balfour Kilpatrick, part of the BICC Group, through its parent Balfour Beatty has made its first move into Mexico.

The electrical and mechanical services contractor has taken a 49 per cent shareholding in a new Mexican company, Dicomsa Kilpatrick de Mexico, capitalised at pesos 150m (£1.9m at current rates).

The new ventures will take over and expand the activities of Group Dicomsa, an electrical and mechanical services contracting group based in Monterrey, a major centre of private enterprise in Mexico.

PEEK HOLDINGS

Peek Holdings has been informed by Middle East Investments subsidiary, Ebenezer Thompson and Co, has disposed of the whole of its holding of 1,621,000 ordinary (16.88 per cent). The stake was acquired by licensed share dealer, Harvard Securities, acting as a principal.

LINFOOD

Linfood Holdings has completed the purchase of HBT Trademarks, a cash and carry subsidiary of Bishop's Group. The consideration will be satisfied in cash and will be finally determined when audited accounts are available. It will comprise the aggregate of the net asset value of HBT and £239,000 for goodwill and the assignment of certain properties.

ICI STOCK UNITS

J. Henry Schroder Wagg and Company announces that the value to be attributed to the ICI stock units to be issued to shareholders in Holden who elect to receive the stock alternative is 32p per stock unit.

NEW SYLHET

The offer by Bon Marche Wine (Shippers) for New Sylhet Holdings has been declared unconditional. Acceptances have been received from the holders of 90.07 per cent ordinary shares and 98.5 per cent preference shares, being 95.56 per cent of the total voting rights of New Sylhet.

Important consideration when Tube investments reports on Wednesday

An important consideration when Tube Investments reports on Wednesday, December 31st next, will be the impact of its redundancy and closure costs. The taken below the line and the £2.4m sale of property is taken above the line, estimates of the losses range around the £30m. This compares with a £2.7m loss in 1980, and to the first-half loss of £13.7m. The second half is not expected to show any improvement from Raleigh, which lost £7.7m in the first half. Following the Inver-Standard Telephones and Cables provided disappointing results at the interim stage but the market is expecting the second half to bring more cheer. Analysis are predicting pre-tax profits of £45m for the year ended last December, against £44.1m last year. The private communications business continues to do well with larger chunks of the total falling into the second half. On the component distribution, although manufacturing remains patchy — better growth is expected in the current year. The final is expected to be up slightly, perhaps to 7p, which would give a full year payout of 13.5p, against 10p last year. Presentation of the figures is

against £60.3m last time. Both the Australian and U.S. subsidiaries have done well, with Australian profits up by nearly 50 per cent over last year. The rights issue in May helped to reduce losses and thus bring down interest charges for the year. The company's improved productivity and sharper on its marketing activities now appear to be bearing fruit, particularly in the drinks division. Analysts predict a slight increase in the final dividend, perhaps to 3.2p to provide 4.5p for the year against 4.1p last time.

Table with columns: Company, Announcement date, Dividend (p) Last year, Dividend (p) This year. Includes Royal Dutch/Shell, Scottish Television, Shell Transport & Trading, SWS Furnace Higgs, Standard Telephones & Cables, Tube Investments, United Biscuits (Higgs), Woodhouse & Dixon (Higgs), Womersley & Co, INTERIM DIVIDENDS, A.A.H. Holdings, Clark (Matthew) & Sons (Higgs), Green (R.) Properties, HVT Group, Higgs (Midgton), London & Stratford Trust, Parker (Knox), Scholze (G. H.), Standard Telephones & Cables (Higgs), Ewart New Northgate, Goodman Bros., Harrop & Sons, Shalton Jones.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Plans by Skelchley to make a \$40.6m (£22.2m) offer for the Means Services linen group of Chicago ran into a major obstacle on Wednesday when New York-based conglomerate ARA Services revealed that it had made an offer for Means of \$37 per share, or \$45.5m. Dealings in Means' shares were suspended at 9.47 a.m. on Tuesday morning when a counter-bid was known to be imminent. In the meantime, the placing of 4m Skelchley shares to finance its proposed offer has been completed although it will be cancelled if Skelchley withdraws.

St. George's Group, the contract linen and laundry group, is taking on the long-term linen hire contracts of British Transport Hotels in a deal worth £1.1m. St. George's will partly fund the acquisition with a one-for-three rights issue at 74p which will raise £330,000 after expenses. The group is also negotiating to buy another laundry business for about £450,000 cash.

Mr. Tony Miller, who resigned as deputy chairman of Hawley Group last September, bought, with associates, a 38.9 per cent stake in Albert Fisher Group, the fruit and vegetable wholesaler. Albert Fisher's shares, which had ranged between 41p and 18 1/2p over the past 10 years, touched 39 1/2p on Wednesday before closing the week at a net 21 1/2p up at 36 1/2p. Mr. Miller stated that the stake had been taken as a long-term investment.

Burmah Oil decided not to increase its 70p per share bid for Croda International and the offer lapsed on Thursday. The oil company was "surprised at the confidence and detail" of Croda's forecast for the current year which predicts a 56 per cent rise in pre-tax profits and an 86 per cent dividend increase. This had the effect of lifting Croda's share price well above the 70p bid price and Burmah's offer was accepted by holders of only 2.9 per cent of the equity, about a third of which were withdrawn last week. Burmah intends to hold the 14.99 per cent stake in Croda it acquired in the bid last December and will "study with interest Croda's performance and the market price in the ensuing months."

On Monday, the Appeal Court in London halted Mr Holmes & Court's attempt to take control of Associated Communications Corporation because of a better rival bid from Heron Corporation. Mr. A Court said that he intended to sit tight and await events in the long-running takeover battle. Mr. Robert Maxwell, the publishing entrepreneur, stated that he remained interested in making a bid for ACC, but would reserve his position until he had studied the offer documents from Heron and Mr. A Court's Bell Group. Lord Matthews of Trafalgar House and a director of ACC is chairing a special sub-committee of the board of ACC to consider all bids.

Company	Value of bid per share**	Market price**	Price before bid	Value of bid per share**	Price before bid	Bidder
Assoe. Comms. 'A'	68*	94	52 1/2	38.5	38.5	Bell Group
Assoe. Comms. 'A'	90*	94	73	46.13	46.13	Heron Corp.
CCP North Sea	190 1/2	178	145 1/2	14.90	14.90	Charterhouse Pet.
Coloaloid Secs.	76	68	54 1/2	9.53	9.53	Unit. Newspapers
Grant Bros.	190*	186	179	2.28	2.28	Jointpoint
Heron Motor Grp.	34*	31 1/2	23	4.33	4.33	Heron Corp.
Holden (A.)	180*	176	188	12.82	12.82	ICI
Huntley & Palm.	104 1/2	102	108	56.51	56.51	Rentree. Mknstn.
Leadenhil. Strng.	125 1/2	117	65 1/2	5.62	5.62	Hays
Normand Electri.	58 1/2	54	41 1/2	5.22	5.22	Henderson (P. C.)
Speedwell Gear	15*	10 1/2	23	14.40	14.40	Astra Ind.
Tunnel Hldgs.	56 1/2	50	565	128.23	128.23	RTZ
Wood Hall Trust	215*	207	186	52.74	52.74	Elders EXL

* All cash offers. ** Cash alternative. † Partial bid. ‡ For capital not already held. * Based on March 5, 1982. † At suspension. ‡ Estimated. \$ Shares and cash. † Unconditional.

PRELIMINARY RESULTS

Company	Year	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
AI Industrial	Dec	968L (907L)	25.7	0.01 (0.01)
Arnott Dunlin	Dec	4,000 (3,450)	27.7	10.0 (8.5)
Antofagasta Rwy	Dec	3,880 (766)	37.5	7.0 (—)
Barelys Bank	Dec	566,600 (523,500)	152.8	22.0 (18.5)
Berfordors	Nov	745 (356)	9.1	1.4 (4.0)
Blagden & Noakes	Dec	2,010 (2,590)	8.5	11.7 (6.0)
Crouch (Derek)	Dec	2,470 (3,040)	9.3	11.4 (5.0)
Fisons	Dec	9,300 (3,800)	10.3	— (10.0)
Gen. Accident	Dec	104,300 (92,300)	43.7	16.25 (13.5)
Home Charm	Dec	237 (149)	2.7	1.0 (—)
Howell Williams	Dec	2,510 (1,620)	19.0	10.5 (2.5)
Leabenture	Dec	1,640 (1,540)	8.8	8.5 (8.0)
Macalain Glnvlt	Dec	657 (432)	28.5	18.4 (9.2)
Met. Charolite Inv.	Dec	714 (560)	2.2	2.1 (0.77)
Olives Paper	Dec	60 (397)	1.1	1.3 (—)
Owners Abroad	Dec	1,575 (—)	1.3	— (—)
Prident Fincl.	Dec	5,910 (5,820)	11.9	12.7 (7.5)
Ransomes Sims	Dec	1,630 (2,820)	16.7	48.6 (11.14)
Res Bros	Dec	825 (750)	5.0	4.6 (2.0)
Rentol Group	Dec	14,200 (12,820)	7.4	7.8 (2.55)
Royal Insurance	Dec	117,400 (122,200)	38.5	46.2 (25.2)
Sharpe (W.N.)	Dec	5,740 (5,120)	41.3	37.2 (5.0)
Taverner Rutledge	Dec	22 (87)	1.2	— (—)
Ultramar	Dec	180,200 (126,300)	94.3	69.3 (13.0)
Unilever	Dec	708,500 (672,000)	105.0	73.4 (26.57)
Webber Electro	Sept	189 (162)	7.1	8.0 (3.5)
Yorks. Fine Wool	Dec	154L (370L)	—	— (—)

INTERIM STATEMENTS

Company	Half-year	Pre-tax profit (£000)	Interim dividends per share (p)
Burdene Invs.	Nov	187L (494)L	2.0 (—)
Campani Intl.	Dec	425 (288)	— (1.8)
Celtic Haven	Sept	189 (75)L	0.25 (—)
Cons. Gold Fields	Dec	67,800 (70,700)	8.5 (8.5)
Diploma	Dec	2,610 (2,740)	1.2 (1.0)
Medminster	Dec	188 (168)	1.5 (1.5)
Metamer Jenique	Dec	88 (219)L	0.5 (0.6)
Mitchell Cottis	Dec	4,320 (3,580)	1.5 (1.5)
Raine Industries	Dec	55 (258)L	0.1 (0.05)
Sains Group	Dec	857L (871)L	0.53 (0.53)
"W" Ribbons	Dec	19 (273)L	— (—)

Scrap Issues

Barelys Bank—One for five.
Law Debenture Corporation—One for one.
Rea Brothers—13 for 20.

Rights Issues

St. George's Group—Is raising £0.91m by way of a rights issue on the basis of one for three at 74p per share.
Storia Holdings—Is raising £1.73m by way of two for three rights issue at 10p per share.

Offers for sale, placings and introductions

Lecture Industries—Is coming to the Unlisted Securities Market later this month.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	May	Last	Vol.	Aug.	Last	Vol.	Nov.	Last	Stock
GOLD C	8590	87	15.80	71	25	43	38.50	5342.51		
GOLD C	8575	24	3	16	10	41	18			
GOLD C	8400	2	1	1	1	1	1			
GOLD C	8425	28	1	1	1	1	1			
GOLD C	8000	103	10	15	6	8	17	84.50	AI	
GOLD P	8575	27	27	39	38.50	47	43	43	AI	
GOLD P	8425	2	5	5	5	5	5	5	AI	
GOLD P	8425	2	5	5	5	5	5	5	AI	

Courtney, Pope up to £0.4m midway

A CUT-BACK in overheads and improved productivity which resulted in lower costs, helped Courtney Pope (Holdings), the shopping and electrical group, to increase its pre-tax profits to £310,000 to £410,000 in the first half to November 30 1981. Turnover rose by £916,000 to £13.2m. Despite higher stated earnings per 20p share of 6.54p (4.36p) the interim dividend is being maintained at 2p. Total profit for the first half was £205,000, a total of 2.65p was paid out of pre-tax profits of £720,000 (£452,000).

Mr. D. H. Peacock, deputy chairman, says that even though costs have been cut, margins are still difficult to achieve in the current climate. However, the retail sector, the main source of the group's business, has not yet recovered to its former levels of investment and this affects the level of activity in the shopping division. "We have a reduced demand in the short term order book which makes forward projections more difficult," Mr. Peacock says.

The American subsidiaries have satisfactory order books, but the economy and margins are tight, better than in the UK. Nevertheless, the directors hope to maintain last year's profit level.

Tax took £32,000 (£85,000).

R4m underwriting loss for Guardian National

THE South African short term insurance company, Guardian National Insurance, which is 51 per cent owned by Guardian Royal Exchange Assurance, suffered a R4.2m (£2.24m at current rates) underwriting loss in 1981. In the six months ended December 31 1981, which was the previous full accounting period, the underwriting loss was R976,000.

A total dividend of 24 cents has been declared from stated earnings of 40.1 cents a share. For the second half dividends were 20.1 cents a share and a 12 cent dividend was declared.

Guardian National's directors say its underwriting experience was similar to other South African short term insurers.

Progress at Alliance Trust

AN improvement from £5.67m to £5.57m net revenue available for ordinary shareholders is reported by the Alliance Trust for the year to January 31 1982. The total dividend is raised from 10.5p to 11.25p with a final increased from 7.25p to 8p. It is the board's intention to increase the current interim payout from 3.25p to 3.75p.

Net asset value per 25p stock unit rose from 37.7p to 40p.50, and stated earnings per share improved from 11.25p to 11.82p. The trust's gross revenue for the year was £10.46m (£10.04m). The board remains directed towards selective investment overseas.

Titaghur's mills run into 'heavy losses'

FOLLOWING ITS setback in profits for the year ended June 30 1981 Titaghur Jute Factory Company has again run into a loss for the first half of the current year.

Mr. Henry Silverston, the chairman, says the group mills' working for the first six months has resulted in "heavy losses" and he cannot predict when profitability will return.

As regards the UK associate, there is no indication so far of the long awaited upturn in the economy. However, rationalisation of activities is well under way and on completion substantial economies should result. Surplus assets are being sold, at sizable profits on book values. This will help to strengthen the UK balance sheet and help to meet most of the expenditure being incurred on the rationalisation and modernisation programme.

The implementation of the modernisation programme has progressed steadily, says the chairman, and the bulk of the imported machinery has been received. Financial institutions have sanctioned rupee and foreign exchange loans aggregating £4.5m towards the cost of modernisation and to date have disbursed over £1m. Total expenditure on modernisation since January 31 1981 has amounted to £3.28m.

Romai Tea declines to £0.34m

PRE-TAX profits of Romai Tea Holdings for the year to June 30 1981 declined from £486,099 to £344,409 but, as forecast, the net dividend payment is held at 23.5p.

Turnover for the 12 months showed little change at £2.43m (£2.43m). Tax took £176,920 against £314,205, leaving net profits down from £171,594 to £168,459 and earnings per £1 share 3.35p lower at 11.56p.

After deducting minority interests, the attributable balance finished marginally ahead from £149,606 to £152,961.

Solus losses increase but recovery foreseen

Losses of Solus Group increased from £87,000 to £195,000 during the six months to December 31, 1981, but the directors explain that the company is in the middle of a cost reduction programme and this will have a beneficial effect in the second half.

They hope the position of this Dublin-based electric lamps and neon signs manufacturer can be materially improved by the end of the full year.

First-half sales pushed ahead from £2.76m to £3.48m, no tax was payable again and the net interim dividend is held at 0.52p. Last year's total payment was 1.25p when pre-tax profits totalled £32,968.

BASE LENDING RATES

A.B.N. Bank	13 1/2%	Robert Fraser	14%
Allied Irish Bank	13 1/2%	Grindlays Bank	13 1/2%
American Express Bk.	13 1/2%	Guinness Mahon	13 1/2%
Amro Bank	13 1/2%	Hambros Bank	13 1/2%
Bank of America	13 1/2%	Heritable & Gen. Trust	13 1/2%
Bank of Australia	13 1/2%	Hill Samuel	13 1/2%
Bank of Calcutta	13 1/2%	C. Hoare & Co.	13 1/2%
Bank of China	13 1/2%	Hongkong & Shanghai	13 1/2%
Bank of Ceylon	13 1/2%	Kowloon & Co. Ltd.	13 1/2%
Bank of India	13 1/2%	Lloyds Bank	13 1/2%
Bank of Japan	13 1/2%	Malindi Ltd.	13 1/2%
Bank of London	13 1/2%	Midland Bank	13 1/2%
Bank of Madras	13 1/2%	Samuel Montagu	13 1/2%
Bank of Mexico	13 1/2%	Morgan Grenfell	13 1/2%
Bank of New York	13 1/2%	Norwich Westminster	13 1/2%
Bank of Persia	13 1/2%	Norwich General Trust	13 1/2%
Bank of Portugal	13 1/2%	P. S. Relfson & Co.	13 1/2%
Bank of Rome	13 1/2%	Roxburgh Guarantee	13 1/2%
Bank of San Francisco	13 1/2%	E. S. Schwab	13 1/2%
Bank of South Africa	13 1/2%	Slavenburg's Bank	13 1/2%
Bank of Spain	13 1/2%	Standard Chartered	13 1/2%
Bank of the East Indies	13 1/2%	Trade Dev. Bank	13 1/2%
Bank of the Middle East	13 1/2%	Trustee Savings Bank	13 1/2%
Bank of the Pacific	13 1/2%	TCB Ltd.	13 1/2%
Bank of the South Sea	13 1/2%	United Bank of Kuwait	13 1/2%
Bank of the West Indies	13 1/2%	Whiteaway Laidlaw	13 1/2%
Bank of the West Indies	13 1/2%	Williams & Glyn's	13 1/2%
Bank of the West Indies	13 1/2%	Windsor Sec. Ltd.	13 1/2%
Bank of the West Indies	13 1/2%	Yorkshire Bank	13 1/2%
Bank of the West Indies	13 1/2%	Members of the Accepting Houses Committee	
Bank of the West Indies	13 1/2%	7-day deposits 11.00%, 1-month 12.00%, 3-month 13.00%, 6-month 14.00%	
Bank of the West Indies	13 1/2%	7-day deposits on sums of/under £10,000 11.00%, £10,000 up to £50,000 11 1/2%, £50,000 and over 12 1/2%	
Bank of the West Indies	13 1/2%	Call deposits £1,000 and over 11%	
Bank of the West Indies	13 1/2%	21-day deposits over £1,000 12 1/2%	
Bank of the West Indies	13 1/2%	Bank deposits 11%	
Bank of the West Indies	13 1/2%	Mortgage base rate.	

RESULTS AND ACCOUNTS IN BRIEF

BIRMINGHAM QUALCAST (foundry, engineering)—Results for year ended October 31 1981 reported February 28 in full preliminary statement with pre-tax profit of £23.4m (£23.3m) (55.14m); fixed assets £27.1m (£25.2m); net current assets £27.9m (£28.4m). Meeting: Birmingham, March 25, noon.

BULLOCH (engineering, furniture)—Results for year ended December 31 1981 reported January 28. Shareholders' funds £20.5m (£19.6m); net current assets £22.5m (£22.5m); fixed assets £11.1m (£11.1m). Meeting: Glasgow, March 23, 10.15 am.

CANADIAN AND FOREIGN INVESTMENT TRUST—The directors have announced their intention to proceed with the withdrawal of the company. A trust deed constituting the new unit trust, to be formed between the proposed managers, Bishopsgate Progressive Unit Trust Management Company, and the proposed trustee, Courts and Company, has been lodged with the Registrar of Companies and approved. The necessary inland revenue and other consents have been applied for.

FLEDGLING INVESTMENTS—Results for year ended December 31 1981 reported February 15. Net income £275,253 (£258,571); net assets £28,44m (£28.44m); net assets £28.44m (£28.44m) (52.8p); net assets £28.44m (£28.44m) (52.8p).

FAMILY INVESTMENT TRUST—For year to January 31, 1982 final dividend 3.5p net (interim) per share making 6p (5p); gross revenue £351,510 (£358,379); net assets £28,180 (£27,800); net assets £28,180 (£27,800) (52.8p); net assets £28,180 (£27,800) (52.8p).

GENERAL CONSOLIDATED INVESTMENT TRUST—Results for year ended December 31, 1981, reported February 11. Listed UK investments £21.19m (£21.27m); net assets £27,500 (£28,400); net assets £27,500 (£28,400) (52.8p); net assets £27,500 (£28,400) (52.8p).

FINANCIAL TIMES

INTERNATIONAL INVESTMENT
Net revenue of International Investment Trust showed a marginal decline from £1,547m to £1,538m in the year ended January 31 1982, after a lower tax charge of £81,803 (£71,881).
The final dividend is held at 2.55p, making a net total of 4.3p, against 4.15p.

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M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1981-82	Company	Price	Change	Yield	Dividend	Actual	Fully
High	Low						
125	100	45	-	4.7	6.5	11.4	15.8
62	62	45	-	4.3	8.8	3.8	9.5
13	13	9.7	-	4.4	8.8	11.7	11.7
205	187	187	-	15.7	15.0	-	-
105	100	100	-	1.0	9.1	3.3	6.2
104	68	68	-	8.4	4.9	11.7	34.1
131	73	73	-	8.4	7.8	4.1	7.9
83	35	35	-	8.4	7.8	4.1	7.9
78	48	48	-	7.7	7.7	6.8	10.3
102	90	90	-	16.7	14.8	-	-
108	70	70	-	7.2	3.0	3.0	6.8
113	94	94	-	8.7	7.8	6.2	10.3
130	108	108	-	31.3	12.5	3.5	8.8
224	248	248	-	5.2	8.7	3.4	7.9
61	51	51	-	10.7	8.7	5.1	9.5
332	159	159	-	15.0	19.2	-	-
90	78	78	-	3.0	12.0	-	-
25	25	25	-				

Companies and Markets

WORLD STOCK MARKETS

Blue chips firm on Wall St

NEW YORK

Table of stock prices for various companies in New York, including ACF Industries, AMF, AMR, and others.

Table of stock prices for various companies in New York, including Alcoa, Amal, Amstar, and others.

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A MIXED TREND prevailed in active trading on Wall Street yesterday with most of the strength concentrated in the Blue Chip sector.

By 1 pm the Dow Jones Industrial Average was up 3.33 to 810.58, reducing its loss on the week to 13.51 while the NYSE All-Company Index, at 863.81, rose 11 cents on the day but was still off \$1.72 on the week.

Declines led advances, however, by a seven-to-six majority. Volume swelled to a substantial 47.8m shares, although 5.09m less than at 1 pm Thursday.

Analysts said the market was buoyed somewhat by projections of a one to two billion dollar drop in the Weekly Money Supply figures, to be announced after the close. A drop in the money supply would take pressure off interest rates.

However, analysts said investors are still nervous about the economic outlook and thus are concentrating on the heavily capitalised stocks rather than the smaller ones.

Markets came under pressure early from the report that the unemployment rate rose to 8.8 per cent in February from January's 8.5 per cent.

The rise in the unemployment rate after a slight decline from December to January, added to concerns that the recession will last longer than originally anticipated.

IBM, the most popular stock among institutions, was the volume leader and gained \$4 to \$129. The higher volume of IBM shares was due to a large block sale of 1.5 million shares by the company.

IBM's rise was also helped by a report that the company's earnings for the first quarter would be \$1.25 a share, up from \$1.15 a share in the same quarter last year.

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Value Index shed 2.02 to 233.30, making a fall of 12.33 on the week. Volume 3.53m (3.30m) shares.

Canada

Most sectors lost further ground around mid-day yesterday, when the Toronto Composite Index was off 8.3 at 1,613.91.

The Oil and Gas Index dipped 28.7 to 2857.0, Metals and Minerals 10.8 to 1557.4, and Golds 8.6 to 3139.0.

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Germany

Barely steady, with dealers noting little foreign buying in a quiet session.

The DAX 100 Index closed 287.13, up 0.85 from 286.28, with a high of 287.13 and a low of 286.28.

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Value Index shed 2.02 to 233.30, making a fall of 12.33 on the week. Volume 3.53m (3.30m) shares.

Hong Kong

Stocks closed higher but below the best on late profit-taking, reflecting investors' lack of confidence in the market.

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INDICES

Table of stock indices for various countries, including Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, Luxembourg, Netherlands, Norway, Singapore, South Africa, Sweden, Switzerland, and Taiwan.

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NEW YORK

Table of stock prices for various companies in New York, including Amstar, Amstar, Amstar, and others.

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Financial Times Cr. 3,978.2m. Source: Reuters. (Discount of 25%)

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Second half recovery lifts Ahold earnings

AHOLD, the Dutch food retailer, reports a strong recovery in second half profits and as a result has managed to emerge from 1981 with total earnings slightly up at Fl 53.9m (\$21m), against Fl 51.9m.

Strong advance at Danish shipping group

By Hilary Barnes in Copenhagen DFDS, the Danish shipping group, increased net profits from Dkr 28m to Dkr 67m (\$8.4m) and operating profits from Dkr 22m to Dkr 126m last year, according to preliminary figures.

Bad debts force Dutch bank to cut dividend

NMB, the major Dutch bank, reports a decline of almost a fifth in net profits for 1981 and as a result is cutting its dividend to Fl 12 a share from Fl 14.

Allianz premium income up 11%

ALLIANZ VERSICHERUNG, West Germany's largest insurance company, which now owns 23.2 per cent of the British Eagle Star group, will maintain its dividend for 1981 of the 1980 level of 20 per cent.

Setback at Philippine Long Distance Telephone

PHILIPPINE Long Distance Telephone Company (PLDT), which owns and operates more than 90 per cent of installed telephones in the Philippines, reports an 18 per cent drop in net income for 1981 despite a 24 per cent increase in operating revenue, compared with corresponding 1980 levels.

David Jones raises payout at halfway

By Graeme Johnson in Sydney DAVID JONES, the Sydney retailer, which is 44 per cent controlled by Adelaide Steamship, more than doubled its six months' profit and will lift the interim dividend from 5 cents to 7.5 cents a share.

Carbox buys stake in Ashland Coal

By Robert Graham in Madrid THE SPANISH state-owned coal trading company, Carbox, is to buy a 10 per cent stake in Ashland Coal, the U.S. coal company, for \$40m.

David Jones raises payout at halfway

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Braniff to benefit from air ticket plan

By David Lascahas in New York THE Civil Aeronautics Board (CAB) was yesterday expected to approve a ticket-honoring scheme proposed by the airline industry.

Carbox buys stake in Ashland Coal

By Robert Graham in Madrid THE SPANISH state-owned coal trading company, Carbox, is to buy a 10 per cent stake in Ashland Coal, the U.S. coal company, for \$40m.

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By Robert Graham in Madrid THE SPANISH state-owned coal trading company, Carbox, is to buy a 10 per cent stake in Ashland Coal, the U.S. coal company, for \$40m.

Massey seeks new cash arrangement with bankers

BY ROBERT GIBBENS IN MONTREAL MASSEY-FERGUSON managed a slightly better performance in the first quarter than was forecast shortly after Christmas.

Carbox buys stake in Ashland Coal

By Robert Graham in Madrid THE SPANISH state-owned coal trading company, Carbox, is to buy a 10 per cent stake in Ashland Coal, the U.S. coal company, for \$40m.

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By Robert Graham in Madrid THE SPANISH state-owned coal trading company, Carbox, is to buy a 10 per cent stake in Ashland Coal, the U.S. coal company, for \$40m.

Linde increases sales but order inflow slows

BY KEVIN DONE IN FRANKFURT LINDE, the West German mechanical engineering group, increased turnover last year by 14.5 per cent to DM2,858m helped by the completion of large process plant contracts.

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Rise in profit and payment at Hang Seng

By Our Financial Staff HANG SENG BANK, the major Hong Kong bank, reports a sharp rise in profits for 1981 and is stepping up its dividend by almost half on a comparable basis.

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By Our Financial Staff HANG SENG BANK, the major Hong Kong bank, reports a sharp rise in profits for 1981 and is stepping up its dividend by almost half on a comparable basis.

COMMODITIES/REVIEW OF THE WEEK

Gasoil futures hit by slump in demand

By Our Commodities Staff GASOIL PRICES on London's International Petroleum Exchange (IPE) fell heavily this week with prices reaching the lowest levels since the exchange opened last April.

MARKET REPORTS

BASE METALS

Copper—March 67.55-67.70 (88.70), starting. Unofficial numbers of Breznev's death helped boost values. Lead rose strongly ending at 257 on (trading) to a low of 27.20.

AMERICAN MARKETS

NEW YORK, March 5. Precious metals continued under technical selling pressure. Copper could not hold its midday rally and sold off on the close in sympathy with a complex rally on the close on spot anticipatory buying.

WEEKLY PRICE CHANGES

Table with columns for commodity name, price, change, and date. Includes items like METALS, GRAINS, and OTHER COMMODITIES.

LEAD

Table showing lead prices for different grades and locations.

ZINC

Table showing zinc prices for different grades and locations.

ALUMINIUM

Table showing aluminium prices for different grades and locations.

COFFEE

Table showing coffee prices for different grades and locations.

SOYABEAN MEAL

Table showing soyabean meal prices for different grades and locations.

GAS OIL FUTURES

Table showing gas oil futures prices for different grades and locations.

INDICES

Table showing various financial indices and their values.

MOODY'S

Table showing Moody's credit ratings and related data.

SUGAR

Table showing sugar prices for different grades and locations.

Commodity investment without tax. I.G. Index Limited. London SW1W 0BD. Telephone: 01-225 5693.

SHIPPING (84)

Amstar A. Comvex Shipping (500) 295
California Int. 274
CMA CGM 3330

UTILITIES (27)

Atlanta Electric Co. 160.00 (513)
Boston Edison 177.13
British Electric 100.00 (101) 24

UNLISTED SECURITIES MARKET (27)

A and G Security Electronics Ltd 00.00
Adis Jewellery (100) 7.3 (213)
Aerobics 185.5

RULE 163 (2) (a)

Applications granted for specific
bargains in securities not listed
on any Stock Exchange

RULE 163 (3)

Dealings for approved companies
engaged solely in mineral
exploration

RULE 163 (2) (b)

Applications granted for specific
bargains in securities not listed
on any Stock Exchange

RULE 163 (2) (c)

Bargains marked in securities
which are quoted on a listed or an
Overseas Stock Exchange.

EXCHANGES AND BULLION

The dollar continued to lose
ground to currency markets
yesterday ahead of U.S. money
supply figures due for release
in the U.S. after the close of
business in London.

THE POUND SPOT AND FORWARD

Table with columns: Date, Spot, Forward, etc. for Pound exchange rates.

EXCHANGE CROSS RATES

Table with columns: Exchange, Rate, etc. for various international currencies.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Term, Rate, etc. for Euro-currency interest rates.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 5)

Table with columns: Term, Rate, etc. for London interbank fixing rates.

LONDON MONEY RATES

Table with columns: Term, Rate, etc. for London money rates.

CURRENCY MOVEMENTS

Table with columns: Currency, Change, etc. for currency movements.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Rate, etc. for EMS European currency unit rates.

OTHER CURRENCIES

Table with columns: Currency, Rate, etc. for other international currencies.

U.K. CONVERTIBLE STOCK 6/3/82

Table with columns: Name, Price, etc. for U.K. convertible stock.

FT UNIT TRUST INFORMATION SERVICE

Large table listing various unit trusts and their performance metrics.

OFFSHORE & OVERSEAS FUNDS

Large table listing offshore and overseas funds with detailed descriptions and performance data.

LONDON STOCK EXCHANGE

Growing conviction of imminent UK base rate cuts climaxes another strong week in Government stocks

Account Dealing Dates
*First Declared Last Account
Dealings times Dealings Day
Feb 15 Feb 26 Mar 5
Mar 11 Mar 12 Mar 22
Mar 13 Mar 25 Mar 26 Apr 5



cheaper at 21p. Amersham eased
to 180p on lack of interest.
Still drawing strength from
Press comment, the major clear-
ing banks made further good
progress. Additionally helped by
a broker's recommendation.

Leading Oils steady
The Gold Mines index eased
5.2 to 228.3, a loss of 37.1 on the
week.
The absence of any concerted
support from either Johannes-
burg or the U.S. left Gold shares
to take their lead from the metal
price and the heavyweights dis-
played an understandably weak
appearance. Vaal Reefs remained
depressed at £23, down 14, while
Western Holdings shed 14 to
£19.7. Hartbeest gave up 1 to
£19.8, but Randfontein pushed a
4 to 5p premium. Atlantic
Resources recovered 15 to 145p
and Eglington 5 to 60p, but Global
Natural Resources weakened 40
to 48p, while SASOL gave up 11
to 127p.

Depressed recently by the
Board's downgraded profits fore-
cast, Gill and Duffus came on
offer again at 140p, down 4.
R. P. Martin advanced to 415p
in response to the interim results
before closing at 380p. The com-
pany's substantial metal interests, 1,200
tonnes of manganese, 1,200
tonnes of iron ore and 1,200
tonnes of copper, were valued at
£40p. Elsewhere in money brokers,
Exco International advanced to
225p, but reacted to finish 3
cheaper on balance at 220p.

Shippings were noticeably
for fresh selling of Rensden Smith
down 6 at 130p, and the A 10
lower at 117p. British and Com-
monwealth eased 5 to 385p, but
P & O Deferred followed the
trend in leading issues and
closed 3 firmer at 125p.

Among Techies, Nottingham
Manufacturing recovered 5p for a
fall on the week of 40 to 185p fol-
lowing the rights issue announce-
ment.
Australian Golds finished at
the day's lowest, Gold Mines
of Kalgoorlie finished 15 lower
at 185p, while Central Northern
recovered 10p to 175p. Feodosia, which
revealed disappointing first-half
figures earlier in the week, gave
up 3 more to 73p.

Demand for Traded Options
waned. 1,890 contracts were
completed comprising 1,303 calls
and 587 puts. ICI provided 349
deals, 271 calls and 78 puts. The
week's daily average, amounted
to 1,796.

Standing a penny easier
awaiting the preliminary results, Ault
and Wiborg shed a penny more
to 32p following the announce-
ment. Elsewhere, Elmwood
Printings, David S. Smith
jumped 5 to 100p on revived
speculative interest.

Significant movements in Prop-
erty issues were confined to
secondary issues. Whitlington
Following the A. E. Miller and
associates acquisition of a 28.9
per cent stake in the company,
changes and discussions which
may lead to a property acquisi-
tion, Westminster and Country
put up 4 to 75p in response to
the interim results. The
Second City, half-timer due on
March 22, added 3 to 54p. Lynton
attracted speculative demand and

FINANCIAL TIMES STOCK INDICES
Table with columns for Mar 5, Mar 4, Mar 3, Mar 2, Mar 1, Feb 28, Year ago. Rows include Government Secs, Flooded Int'l, Industrial Ord, Gold Mines, Ord. Div. Yield, Earnings Yld. % (net), P/E Ratio (net), Total bargain, Equity turnover, and Equity bargain.

HIGHS AND LOWS S.E. ACTIVITY
Table with columns for 1981/2 High, 1981/2 Low, Since Completion High, Since Completion Low, and Max. % Change. Rows include Govt. Secs, Flooded Int'l, Ind. Ord, and Gold Mines.

NEW HIGHS AND LOWS FOR 1982
Table with columns for Stock, High, Low, and % Change. Rows include British Funds, Corporate, Industrial, Financial & Property, Oil, and Miscellaneous.

RISES AND FALLS
Table with columns for Yesterday, Today, and % Change. Rows include British Funds, Corporate, Industrial, Financial & Property, Oil, and Miscellaneous.

LEADERS AND LAGGARS
Percentage changes since December 31, 1981, based on Thursday, March 4, 1982. Rows include Tobacco, Chemicals, Other Consumer, Contracting, Insurance, etc.

ACTIVE STOCKS
Above average activity was noted in the following stocks yesterday. Table with columns for Stock, Closing price, Day's change, and % change.

THURSDAY'S ACTIVE STOCKS
Based on bargains recorded in SE Official List. Table with columns for Stock, No. of contracts, Thursday's price, and % change.

5-DAY ACTIVE STOCKS
Based on bargains over the five-day period ending Thursday. Table with columns for Stock, No. of contracts, 5-day price, and % change.

RECENT ISSUES
Table with columns for Issue No., Issue Date, Issue Price, and Issue Size. Rows include 148, 60, 100, 100, 100, 100, 100, 100, 100, 100.

FIXED INTEREST STOCKS
Table with columns for Issue No., Issue Date, Issue Price, and Issue Size. Rows include 100, 100, 100, 100, 100, 100, 100, 100, 100, 100.

LONDON TRADED OPTIONS
Table with columns for Option, Strike Price, Closing Price, and % Change. Rows include BP (C), BP (P), BP (C), BP (P), BP (C), BP (P), BP (C), BP (P), BP (C), BP (P).

"RIGHTS" OFFERS
Table with columns for Issue No., Issue Date, Issue Price, and Issue Size. Rows include 100, 100, 100, 100, 100, 100, 100, 100, 100, 100.

OPTIONS
Table with columns for Option, Strike Price, Closing Price, and % Change. Rows include BP (C), BP (P), BP (C), BP (P), BP (C), BP (P), BP (C), BP (P), BP (C), BP (P).

FT-Actuaries Share Indices
These indices are the joint compilation of The Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table with columns for Equity Groups & Sub-sections, Fri March 5 1982, and Highs and Lows Index. Rows include CAPITAL GOODS, BUILDING, CONTRACTING, etc.

Table with columns for Equity Groups & Sub-sections, Fri March 5 1982, and Highs and Lows Index. Rows include FOOD, HEALTHCARE, LEISURE, etc.

Table with columns for Equity Groups & Sub-sections, Fri March 5 1982, and Highs and Lows Index. Rows include MEDIA, RETAIL, SERVICES, etc.

Table with columns for Equity Groups & Sub-sections, Fri March 5 1982, and Highs and Lows Index. Rows include TRANSPORT, UTILITIES, etc.

Table with columns for Equity Groups & Sub-sections, Fri March 5 1982, and Highs and Lows Index. Rows include ALL-SHARE INDEX, etc.

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as 'Alday Unit Tr. Mgrs. (a)', 'Allied Finance Ltd. (a)', 'Anderson Unit Trust Managers Ltd.', etc., with columns for name, address, and phone number.

FT UNIT-TRUST INFORMATION SERVICE

Main table listing unit trusts with columns for name, address, phone number, and performance data (e.g., 'Lloyds Reg. Unit Tr. Mgrs. Ltd.', 'Save & Prosper Group-Cont.', 'Barclays Life Assur. Co. Ltd.').

Table listing insurance and bond products, including 'M & G Group', 'Schroder Life Group', 'National Westminster', and 'Crestlife Life Assurance Co. Ltd.', with columns for name, address, and phone number.

NOTES: Prices are in pence unless otherwise indicated. Prices % shown in red are subject to all charges...

INSURANCE BONDS: A section detailing various insurance and bond offerings, including 'Equity Life Assurance Co. Ltd.' and 'Crestlife Life Assurance Co. Ltd.'.

Additional notes and contact information for the FT Unit-Trust Information Service, including a list of participating companies.

Espley-Tyas FOR PROPERTY & CONSTRUCTION We cover the country London - Leeds - Birmingham 021-454 9881

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES - Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change.

Five to Fifteen Years

Table of funds categorized by 5 to 15 year maturity.

Over Fifteen Years

Table of funds categorized by over 15 year maturity.

Undated

Table of undated funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS Public Board and Ind.

Table of public board and industrial loans.

A FINANCIAL TIMES SURVEY PERSONAL FINANCIAL PLANNING 17 April 1982. The Financial Times is planning to publish a survey on Personal Financial Planning. Includes sections on Redundancy, International Investment, Buying a House, Expatriates, and Planning for a Lifetime.

LOANS - Continued

Table of loans - continued.

Building Societies

Table of building societies.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS

Table of American stocks.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads stocks.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase stocks.

BANKS & H.P. - Cont.

Table of banks and hire purchase - continued.

HIRE PURCHASE, ETC.

Table of hire purchase and other services.

CHEMICALS, PLASTICS - Cont.

Table of chemicals and plastics - continued.

DRAPERY AND STORES

Table of drapery and stores.

ELECTRICALS

Table of electrical stocks.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc. stocks.

CHEMICALS, PLASTICS

Table of chemicals and plastics.

ENGINEERING MACHINE TOOLS

Table of engineering machine tools.

ENGINEERING - Continued

Table of engineering - continued.

HOTELS AND CATERERS

Table of hotels and caterers.

INDUSTRIALS (Misc.)

Table of miscellaneous industrial stocks.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc. stocks.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc. stocks.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc. stocks.

FOOD, GROCERIES, ETC.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and other financial metrics.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Telecom, and British Gas, with columns for stock price, price change, and other financial metrics.

PROPERTY—Continued

Table of property stocks including companies like British Land, Granada, and Granada Television, with columns for stock price, price change, and other financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American Investment Trust, British Columbia Investment Trust, and British Columbia Investment Trust, with columns for stock price, price change, and other financial metrics.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and other financial metrics.

Hill Samuel Unit Trusts advertisement with logo and text: 'Manage your money effectively'.

MINES—Continued

Table of mine stocks including companies like Anglo-American, Anglo-Platinum, and Anglo-Tanzania, with columns for stock price, price change, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Aerospace, British Leyland, and British Leyland Finance, with columns for stock price, price change, and other financial metrics.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like British Leyland, British Leyland Finance, and British Leyland Finance, with columns for stock price, price change, and other financial metrics.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways, British Overseas Airways, and British Overseas Airways, with columns for stock price, price change, and other financial metrics.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Leather, British Leather, and British Leather, with columns for stock price, price change, and other financial metrics.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Overseas Airways, British Overseas Airways, and British Overseas Airways, with columns for stock price, price change, and other financial metrics.

TEXILES

Table of textile stocks including companies like British Textiles, British Textiles, and British Textiles, with columns for stock price, price change, and other financial metrics.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British Newspapers, British Newspapers, and British Newspapers, with columns for stock price, price change, and other financial metrics.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British Paper, British Paper, and British Paper, with columns for stock price, price change, and other financial metrics.

TOBACCO

Table of tobacco stocks including companies like British Tobacco, British Tobacco, and British Tobacco, with columns for stock price, price change, and other financial metrics.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Trusts, British Trusts, and British Trusts, with columns for stock price, price change, and other financial metrics.

TEAS

Table of tea stocks including companies like British Tea, British Tea, and British Tea, with columns for stock price, price change, and other financial metrics.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including companies like British India, British India, and British India, with columns for stock price, price change, and other financial metrics.

MINES

Table of mine stocks including companies like British Mines, British Mines, and British Mines, with columns for stock price, price change, and other financial metrics.

REGIONAL MARKETS

Table of regional market stocks including companies like British Regional, British Regional, and British Regional, with columns for stock price, price change, and other financial metrics.

PROPERTY

Table of property stocks including companies like British Property, British Property, and British Property, with columns for stock price, price change, and other financial metrics.

INSURANCE

Table of insurance stocks including companies like British Insurance, British Insurance, and British Insurance, with columns for stock price, price change, and other financial metrics.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including companies like British Finance, British Finance, and British Finance, with columns for stock price, price change, and other financial metrics.

OIL AND GAS

Table of oil and gas stocks including companies like British Oil, British Oil, and British Oil, with columns for stock price, price change, and other financial metrics.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like British Diamond, British Diamond, and British Diamond, with columns for stock price, price change, and other financial metrics.

OPTIONS

Table of options stocks including companies like British Options, British Options, and British Options, with columns for stock price, price change, and other financial metrics.

